

REPORT OF SDF ADMINISTRATOR

Subject: Sustainable Development Fund (SDF) Governance

Purpose of Report

To consider a recommendation to change how Sustainable Development Fund money is allocated.

Summary

The way in which the Authority receives Sustainable Development Fund (SDF) grant money from the Welsh Government (WG) has changed, with consequences for administration of the fund. SDF funding will be allocated in our revenue grant and therefore the Authority now has ultimate responsibility and accountability for this expenditure. In order to carry out its duties responsibly, efficiently, fairly and transparently, Members are asked to consider options and a proposal for future consideration of applications to both the SDF and the Little Green Grant (LGG). It is recommended that the SDF Assessment Panel membership and terms of reference be amended to address changed governance requirements and that responsibility for making a final decision is delegated to the amended Panel. A portion of the main SDF grant supports a small grant scheme, (The Little Green Grant), and Members are also asked to consider a proposal to change current procedures that will give the Authority the ability to take ultimate responsibility for the final allocation of small grant money as well.

Background

The Sustainable Development Fund is a Welsh Government initiative that aims, through partnership, to develop and test ways of achieving sustainable development in a countryside of great natural beauty and diversity, in which the local characteristics of culture, wildlife, landscape, land use and community are conserved and enhanced. The Authority is responsible for administering the scheme in accordance with operational guidelines stipulated by WG.

The Little Green Grant –‘Funding for a Sustainable Pembrokeshire’ is the small grant scheme set up to provide a proportion of the main SDF grant to support smaller projects and help communities to live in a way that balances the needs of people, the environment and our local economy. The LGG, which is for funding applications up to £1,500 is administered on behalf of the Authority by the Pembrokeshire Association of Voluntary Services (PAVS).

SDF Assessment Panel

To provide an effective, efficient, fair and transparent process an independent SDF Assessment Panel meets as required to assess applications for the fund. The Panel makes recommendations to the National Park Authority Chief Executive and also monitors and reviews progress on grants already allocated. At the moment, the final decision on applications is made by the Chief Executive, based on the advice of the SDF Panel. In September 2010, the National Park Authority approved an amendment to the SDF Policy wording, the Terms of Reference and the membership of the Panel. Due to a number of circumstances, including a delay pending confirmation of continued funding from WG and widely varying existing levels of commitment to existing projects at the start of the 2011/12 financial year, the approved amendments have to date not been undertaken. Current Panel membership is therefore comprised of six Authority Members and twelve independent members, four from each of the private, public and voluntary sectors. The Authority is extremely grateful to a dedicated small group of regular Panel attendees for their extremely valuable contribution, considerable commitment and willingness to share their knowledge and expertise.

Change to SDF funding allocation from WG and implications for administration of the SDF

£1.2 million in Sustainable Development funding has been committed to the three National Parks and £700,000 to the Areas of Outstanding Natural Beauty for the 2012/13 and 2013/14 financial years. In addition, a change in administration of the Fund was agreed which means that for the next two financial years the Authority will be allocated £186,755 for 2012/13 and £177,253 for 2013/14 in our revenue grant and have to award £200,000 to SDF projects. SDF administration costs and the remainder of the project funding will be raised from the Authority's grant. To date SDF money has been drawn down from the WG at the start of each financial quarter based upon the estimated cashflow expenditure of approved projects.

This fundamental change to the way in which we will receive SDF funding affects our responsibility and decision making process, in relation to both the SDF and the Little Green Grant.

As a result of this change in the way funding is received and in order to meet our obligations of financial procedure, governance, transparency and accountability, it is proposed that the main decision making role relating to SDF is moved from Officers to Members. Therefore it will be Members of the Authority rather than the Chief Executive who will make decisions regarding allocating SDF funding.

As a result of this the Authority needs to consider adopting one of the following options:

Option 1: An SDF Committee, comprising either 6 or 9 Authority Members will decide on allocation of SDF Funding. There will be no external members on this Committee.

This option would mean that we would not have to manage or administer the involvement of non-Authority representatives but would leave us vulnerable to accusations of a lack of transparency and impartiality when assessing applications. This would be particularly evident if the Authority applied for funding for one of its own projects. It also reduces the breadth of knowledge, experience and contacts that non-Authority members from many different walks of life can bring, not only to the application assessment process, but to assist individual projects and project managers to optimise benefits and potential alternative funding options for projects.

Option 2: A Committee is created with six Authority Members and six non-Authority members (two from each of the private, public and community sectors). The six non-Authority members would sit on the Committee in an advisory capacity and decisions would be made by Authority Members. The non-Authority members will sit on the Panel as individuals with expertise on sustainable development issues, rather than as representatives of particular organisations.

This options allows us to retain the ability to draw on a broader base of skills, knowledge and experience, which is extremely valuable in the assessment of diverse applications. Importantly it also demonstrates a transparent and impartial decision making process. It does however carry the risk that non-Authority Members perceive their involvement to be not as highly valued as it is and consequently raise recruitment or retention issues.

Option 3: This is the same as Option 2, but an SDF Assessment Panel is created with the difference being that both the Authority Members and the Non-Authority members participate in the decision making process.

This option would have all the benefits of option 2 above and negate the potential risk identified but as ultimate responsibility for Authority finances rests with the Authority it would not be appropriate for non-Authority representatives to take the final decision. In this situation, with membership of a Panel as proposed and even if the meeting were quorate, non-Authority members could theoretically be able to make the final decision by voting against Authority Members.

Change to SDF funding allocation from WG and implications for administration of the LGG

Currently LGG applications are considered by the SDF Administrator and the PAVS Development Officer who reach a decision on whether to approve or refuse an

application for funding. A summary of the project proposal and the decision is taken to the Pembrokeshire Impact Fund (PIF) Grants Panel for ratification. It is proposed that from 1st April 2012, and subject to agreement by PAVS, the SDF Administrator and the PAVS Development Officer consider the applications in consultation with the Authority Business Manager and Finance Manager. They would then make a recommendation to the Chair of the SDF Committee or Panel for a final decision. The PIF Grant Panel would be notified of the recommendation and final decision.

Recruitment and Training

It will be necessary to undertake a recruitment process. Existing Panel Members who express an interest in remaining on the Panel and new applicants will be required to demonstrate their understanding and commitment to sustainable development and to demonstrate how their particular skills and experience can contribute to the decision making process. The Panel membership will be provided with training on the aims, objectives, priorities and operational guidelines of the SDF and also on the governance and role of the Assessment Panel. This will also present a useful opportunity to provide information and raise awareness by looking at case studies of projects that have received support. Many lessons can be learned from past experience, both from highly successful projects and projects which for some reason may have failed to deliver the anticipated outcomes. Non-Authority members will be expected to sign a written undertaking agreeing to be bound by the Authority Members' Code of Conduct.

Financial considerations

The only financial considerations are relating to the likelihood of higher expenses claims if there are more members of on the committee. However, in the context of the SDF grant these are likely to be negligible.

Risk considerations

The proposed change is driven by a need to manage risk and to create an open and transparent decision making process.

Compliance

All proposals meet with Welsh Government requirements for managing the SDF grant.

Human Rights/Equality issues

No impact

Biodiversity implications/Sustainability appraisal

No impact

Pembrokeshire Coast National Park Authority
28th March, 2012

Welsh Language statement

We will advertise an vacancies bilingually, in accordance with our Welsh Language Scheme.

RECOMMENDATION:

Members are asked to approve:

- **Option 2 above by delegating decision making responsibility to a revised SDF Assessment Committee;**
- **Associated amendments to SDF Assessment Panel Terms of Reference, and**
- **The proposed change to LGG application assessment and final decision making process.**

Background documents

None

(For further information, please contact Emma Taylor, SDF Administrator on 01646 624874 or by e-mailing emmat@pembrokeshirecoast.org.uk)

Author: Emma Taylor, SDF Administrator

Consultees: Alan Hare, Business Manager, John Parsons, Monitoring Officer , Tegryn Jones, Chief Executive