



<u>Committee and Date</u> Shropshire Hills AONB Partnership 18 November 2014	<u>Item</u> 7
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DEVELOPMENT OF CHARITABLE STRUCTURE FOR FRIENDS AND SMALL GRANT SCHEME

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1. Summary

This paper provides an updated proposal for development of a charitable structure for the Friends of the Shropshire Hills AONB, as well as a proposed realignment of the Sustainable Development Fund (SDF) to become a new small grants scheme more focussed on conservation.

2. Background

- 2.1. The AONB Partnership has been looking for some time at options for developing the Friends of the Shropshire Hills AONB group including charitable status. A first attempt at this highlighted the potential risks of a fully independent group seeking to distance itself from the AONB Partnership and take on broader lobbying roles, which was never the intention for the Friends. The more recent proposal for a CIO arguably would have put too many functions within it, and consideration of some specialist advice obtained again raised issues about the risks associated with a group very independent from the Partnership. The potential benefits of obtaining charitable status are however still remain, and the essence of a new proposal has recently emerged.
- 2.2. In addition to the Friends aspects, the team has been having discussions about the future of the Sustainable Development Fund. SDF was started in 2005 as an initiative of the Defra Minister of the time. It was deliberately broad in its scope, and enabled us to fund projects showing social and economic as well as environmental benefits, but ideally all three together. At its peak, we were giving grants totalling £100k per year, all with government funding. As this has gradually reduced to zero within SDF, we have been able to keep the fund going with the membership subs from Friends of the Shropshire Hills AONB and through the generous support of the Millichope Foundation and Jean Jackson Trust. We would very much like to continue and develop our sources of income, including by increasing Friends membership numbers, and if possible by adding strands of 'visitor giving' and charitable donations (perhaps through a single structure as a development of the Friends).
- 2.3. Our research on the motivation of both Friends and visitors as donors has led us to consider whether we should look at realigning the grant scheme more closely with the primary conservation aims of the AONB (including landscape, along with biodiversity, heritage etc, and education and awareness-raising activities related to these). This would seem to have the directness of connection which would most elicit support from donors. It would mean tightening the criteria/ scope for funding, and consequently

dropping the title 'Sustainable Development Fund'. Additional factors are that the criteria of SDF are relatively wide for the smaller amounts of money now available, the fact that we don't have a small grants scheme specifically for conservation projects (other than through the Landscape Partnership Scheme and other periodic projects such as on rivers).

- 2.4. The proposal to refocus (and rename) SDF has been discussed with the representatives of the Fund's two main charitable trust donors, and with the Sustainable Development Panel. All were supportive of the proposal, with some useful suggestions including retaining conservation-related education work, and ensuring a strong element of public benefit for all grants, especially where these may be to private landowners.
- 2.5. Proposal. The strands which the new proposal seeks to bring together are:
 - Friends – need for charitable status for Gift Aid, separateness from Council, etc,
 - Proposed refocus of SDF more towards AONB primary conservation purpose (partly to increase attractiveness to donors),
 - Aspiration for a Shropshire Hills 'visitor giving' scheme, ideally linked to the above (in order both to build critical mass and avoid multiple mechanisms).
- 2.6. The thought is to create a charity potentially called 'Shropshire Hills AONB Conservation Fund', which would bring in money through:
 - the Friends scheme, which keeps its current branding, but the payee for subs becomes the Conservation Fund instead of Shropshire Council,
 - visitor giving, by whatever means we choose to develop,
 - potentially from business fundraising and other charitable trusts.
- 2.7. The role of volunteer trustees for the Fund would be principally to help raise money, and in turn to make the decisions about the distribution of funds in grants. The trustees/committee would not however take on roles to represent or lead the Friends group as an organisation, as the group is not structured or intended for this purpose. The title of the fund, along with wording in the constitution, would help to ensure that the group did not in the future diverge unhelpfully from AONB purposes, but can also be sufficiently independent from the AONB Partnership to satisfy the Charities Commission. The Fund also can be the title under which the grants are given out, replacing SDF. (If 'Fund' is not acceptable as the title for a charity, it could be 'Trust' at the end instead, which would give its money out through the Fund).
- 2.8. Further work will help to establish whether such an arrangement would best be pursued through a CIO (Charitable Incorporated Organisation) or simply a charitable trust. The principal difference is that the incorporation within a CIO provides for limited liability on trustees, but under the simple model of drawing in charitable donations and distributing grants, the trustees may not be exposed to any risk and so this may not be necessary.

3. Recommendation

The Partnership is recommended to comment on the revised proposal for a charitable structure to develop the Friends, visitor giving and realigning SDF to a small conservation grants scheme.

List of Background Papers

None

Human Rights Act Appraisal

The information in this report is compatible with the Human Rights Act 1998.

Environmental Appraisal

The recommendation in this paper will contribute to the conservation of protected landscapes.

Risk Management Appraisal

Risk management has been appraised as part of the considerations of this report.

Community / Consultations Appraisal

The topics raised follow on from earlier discussions with Partnership members.

Appendices

none