

Appendix 6

Open Spaces Strategy 2017

Establishing a new Parks Foundation – Bournemouth and Leeds Comparison

The differences in approach to the management of these strategic Foundations are summarised in the table below:

Independent Parks Foundation <i>(Bournemouth Parks Foundation)</i>	Parks Managed Fund <i>(Leeds Parks Trust)</i>
<p>Staffing: Dedicated staff employed directly by the Parks Foundation as appropriate, plus active Trustees</p>	<p>Existing fundraising staff at the Leeds Community Foundation (LCF) will lead on income generation</p>
<p>Legalities: Independent charitable application processes, legal requirements and bank account application must be undertaken to establish the new foundation</p>	<p>Leeds Parks Trust will be a ‘named fund’ managed and administered by the Community Foundation, using the same charity number. There is no need for a separate application for charitable status.</p>
<p>Trustees: An independent Board of Trustees has been established based on skills and experience. There are no political appointees or influences on the Board.</p>	<p>A subsidiary board of Trustees will be established in consultation with the LCF. It has not been established whether there will be political representation.</p>
<p>Income administration: All income generated will go directly to the Community Trust. It is anticipated a top slice of approx. 20% towards running costs will be taken.</p>	<p>A 15% management fee will be paid to the Community Foundation on all income generated (with a possible cap on larger donations)</p>
<p>Start up costs and funding: Income: £100k NESTA/lottery funding (£100k fundraised in first year of operation) Expenditure to date (post Nesta): £150 Charitable application £20 per month ‘fasthost’ (website) fees. £250 website development Part-time staffing costs (office space provided by local authority) Currently looking into costs for Trustees Liability insurance.</p>	<p>Income: £20k committed by city council for initial legal, marketing and development work. Expenditure to date: None</p>

Bournemouth Parks Foundation

Objective: Founded in January 2015, The Bournemouth Parks Foundation is an independent charitable foundation, working alongside Bournemouth Borough Council to raise funds to improve and enhance parks and open spaces

The establishment of the Foundation does not devolve responsibility from the local authority, but provides a financial support mechanism with the ability to raise funds directly from legacy, corporate and grant fundraising as well as direct donations from the general public.

Model:

The Foundation established a company limited by guarantee, and applied for charitable status, recruiting suitable trustees and opening a charity bank account.

Trustees in this case do not include elected members, maintaining a level of independence from the council. However, the right expertise, in this case people with backgrounds in tourism, finance and legal services, provided a solid basis for driving the Foundation forward.

Timescale:

The application process was straightforward and took in total six months.

The fundraising focus:

Early research suggested people are more likely to donate to an individual project, and fundraising activity has been focused around tailored projects, each with an individual fundraising target.

Establishing a strong, marketing, branding and communications plan has also been an important step, giving the Foundation a professional and credible image.

Income generation:

The Trust took up key areas of fundraising activity - legacy fundraising – capitalising on the skills and experience of an individual trustee (securing giving through a free will-writing offer), and direct donations via digital means.

Digital donations:

A key focus for the project was to test whether new digital technologies could be used to enable people to donate while in the park. Digital installations were created in two areas – a talking parrot next to a tropical bird aviary – inviting both coin and digital donations, and a talking bench in a riverside location popular with walkers, prompting digital / mobile donations only.

Early results have demonstrated the success of the coin donations - £4,000 was raised in the first few months, but on publication of the summary report in January 2016, no donations had been made from the bench, via mobile.

A cautionary approach to digital technologies has been cited as a reason for the lack of income, however taking the installations to bigger events and using them for centrepieces will test their impact on different audiences, and in different context. Crowd-funding campaigns hosted through the established online giving platform 'Just Giving' have also been successful. The energy and dynamic approach of the organisation can be seen at – <http://lovemypark.org.uk/>

Leeds Parks Managed Fund

Leeds Parks Trust / Leeds Community Foundation:

Objective: To develop a mechanism to act as a vehicle for Parks fundraising and philanthropic giving.

Model:

The Leeds Parks Trust (LPT) will be established as a named fund, managed and administered by an existing Independent Charitable Foundation - the Leeds Community Foundation. (LCF) LCF is a registered charity and a company limited by guarantee, governed by a board of trustees. In 2015 it distributed £4m in grants to over 400 groups.

LCF will undertake all administrative duties involved with running the fund including:

- Accepting donations
- Claiming tax back
- Inviting applications from groups
- Undertaking assessments and due diligence
- Presenting assessed applications to donors for consideration
- Issuing grants
- Managing the monitoring and evaluation process and reporting back.

This model enables an easy and relatively quick set up – without the need for significant start-up costs and complex legal documents. The Trust will be able to take advantage of the available expertise in fundraising and marketing and reaching new donors as well as established administrative systems.

The Trust would use the same charity number as the Foundation, therefore removing the need to apply for charitable status,

In management terms, the park assets remain in the ownership of the city council: the Trust does not manage the land (which is the case in Milton Keynes.)

The city council as landowner will be required to give consent for proposals, to ensure spending is appropriate and long-term maintenance issues are taken into account.

Fundraising Objectives:

- Focus investment into bringing all 62 community parks up to Leeds Quality Parks (Green Flag) Standard by 2020 (52% of parks were at this standard in 2015)
- Support both capital and revenue programmes to deliver improvements including education, learning and friends groups
- Sustaining investment into the city's green spaces
- Building on existing business sponsorship and family (major donor) donations already received.

Potential Sources of income:

- Individual donations
- Local activity by individuals or groups (community fundraising)
- Legacies
- Philanthropic (major donor) giving

- Local business investment – corporate social responsibility.

Prioritisation of Funding

- A panel will consider eligibility for funds based on criteria to be established.
- The make-up of the panel is to be determined, with Leeds Community Foundation advising on arrangements – including representation.
- Funds not specifically earmarked will be prioritised for areas which benefit less from development / s106 contributions - for example 'inner city' parks.
- Provision will be made for people to donate to a specific park if desired – (particularly legacy donations and corporate sponsorship)

Financial key points

- An estimated £8m (or annual £1.3m) of capital investment is required to meet and sustain the aspiration of bringing all community parks up to standard.
- Establishing this fund will enable tax efficient giving: Gift Aid can be claimed on all individual donations (25p in every £1) and allocated into the fund.
- Gifts made in the form of shares, land, property or other assets that produce a regular income can be made in a way that reduces capital gains tax.
- The Leeds Community Foundation will levy a management fee of 15% against all donations. (It is usual practice for charitable organisations to charge an administration fee of between 10 – 20%)
- There will be a cap on the percentage taken out of larger donations, which relates to actual costs.
- There is an anticipated one-off initial investment of £20k for legal, marketing and development work. Future marketing costs will be absorbed by the fund.
- This fee structure will be reviewed after the first six months.
- **Risks**
- Risks are considered limited with this option due to low start-up costs and the rigorous and established process already in place at the Leeds Community Foundation.

Other key priorities

- Marketing, communications and brand management to promote the work of the Trust.

Timescale:

- The formation of the Trust was approved at the Leeds City Council Executive Meeting on Wednesday 21st September 2016.
- It is intended to launch the Trust in April 2017.

Milton Keynes Parks Trust

The Parks Trust (www.theparkstrust.com) is a ground-breaking strategic vehicle for greenspace management established in 1992. Funded by a portfolio of income-generating assets, the Trust entirely self-finances the running of Milton Keynes' 5,000 acres of rivers, parks, woodlands and open spaces, removing it entirely from local authority control.

Legal Organisation and Constitution

Governance: Company Structure

The Trust is a company limited by guarantee, governed by Articles of Association, and administered by the Board of Trustees. There are three 'wholly owned' subsidiary companies with individual property, leisure and events focuses, and three accountable sub-committees who report into the Trustees on key areas of operations, audit and risk management and executive guidance. Fifteen non paid trustees, who also take on the role of company directors, govern the Trust. They set the strategic direction and charitable objectives, ensure compliance to the relevant legislation and maintain strong corporate governance.

Staffing:

The Trust employs 40 staff under the direction of a Chief Executive, with dedicated operations, community development, communications and marketing and property teams. Over 250 volunteers support the set up.

Financial Sustainability:

Conceived with an £18m endowment in 1992, the asset base had grown to a net total of £92m in 2010, but was affected by the global financial crisis, leading to recruitment freezes and reduction in budgets. In 2010 the target was set for the trust to achieve 'financial sustainability' by 2020, (defined as reaching a point where the 'asset value is sufficient to cover all costs not met from operational activities'.) To achieve this target a total return of 4.5% on assets was required: this has been excelled (6% in 2015/16), but the sound management of the investment portfolio remains crucial to the success of this funding model, alongside ensuring investment which remains in lines with the Trust's guiding values and principles.

The CABE Space report 'paying for parks' gives consideration to the strengths and weakness of eight models for funding urban green spaces – including endowments. The need for supplementing income through community events, chargeable visitor attractions and other commercial opportunities is noted as solid long term financial planning on the part of the Trust.

Conclusions drawn on the need to maintain a combination of funding mechanisms and partnership opportunities support the Trust's endeavours to maintain a financially stable and low-risk strategy.

Financial statements for both the limited company (Milton Keynes Park Trust Limited) and charitable arm of the Trust detail the income and asset value and can be found at

<http://www.theparkstrust.com/downloads/final-2015-16-annual-report.pdf>

In short, the model described offers a financially resilient example, where wider aspirations are met through a funding model conceived in an innovative manner, and maintained through dedicated trustees and careful financial management.

Examples of successful projects in 2015/16, ranging from habitat improvements through to the Rugby World Cup Fan Zone in Campbell Park, demonstrate a progressive and diverse range of activities, including exploiting commercial opportunities.

Case Study

4.1.3 Considering a Parks Managed Fund for Brighton and Hove:

If this option is to be considered for Brighton and Hove it would require a partnership with Sussex Community Foundation (SCF) which was the subject of early research to inform the assessment of options for the Open Spaces Strategy.

The Foundation works across East Sussex, West Sussex and Brighton and Hove, distributing grants to organisations with a focus on social exclusion projects. Key points to note are:

- The Foundation has limited experience in environmental projects, with the exception of one recent major donor for a project in the High Weald;
- There has been an increase in statutory agencies approaching the organisation for similar discussions;
- Any change in focus would be considered a significant decision that the Board would need to undertake;
- They would be happy to advise on and support the administration and management of a new parks endowment fund. However, SCF is not in a position to pro-actively source new donors to a specific remit and help the City Council to create a managed fund based on the Leeds model.

From this initial research, 'establishing a managed fund' in partnership with the Sussex Community Foundation is not considered a viable option, unless a significant endowment or capital fund is established part of a longer-term proposal.