

## DARTMOOR NATIONAL PARK AUTHORITY

6 April 2018

**PROPOSED NATIONAL PARKS CHARITY**Report of the Chief Executive (National Park Officer)Recommendations : **That Members:**

- (i) **Determine whether they want Dartmoor National Park Authority to be a founding member of the National Parks charity that is being established by a majority of UK National Park Authorities.**

**1 Introduction**

- 1.1 At its AGM in June 2016 NPUK (National Parks UK – the umbrella body representing all 15 National Parks in the UK) established a working group to look at ways of growing income for the 15 National Parks in the UK. The working group was asked to consider a request from National Parks Partnership Limited Liability Partnership (NPP) that a national charity be established as discussions that NPP had held with potential corporate sponsors was suggesting that the absence of a charity was hindering their ability to raise income. In particular, NPP has suggested that a charity vehicle is required to access funds that companies distribute via their Corporate Social Responsibility (CSR) agendas and their revised business plan (NPA/18/011) advocates the establishment of such a charity as a funding vehicle.
- 1.2 From their analysis and discussions with NPP the working group has *“established that we (the National Park family) are losing a significant number of prospective financial supporters of national parks because of the lack of a charitable entity at a national level”*. This is not, however, quantified in any way.
- 1.3 National Park Authority (NPA) Chairs considered a paper on the proposed charity at a meeting of NPUK on 20 February 2018. Eight of the 15 NPAs agreed to proceed with the proposal to establish a national charity, whilst the remaining seven, including Dartmoor, indicated that they would need to report the proposal and seek approval from their Authority. Bill Hitchins (as Chairman of Dartmoor NPA) raised concerns about the lack of a business case and the applicability of the Scottish charity model (see below). On the basis of a majority of eight, the working group has been authorised to take forward the development of detailed proposals with NPP.

**2 National Park Charity Proposal**

- 2.1 The paper proposing the establishment of a National Parks charity that was considered by Chairs in February suggests that the charity will allow NPP to widen its potential to attract funding from corporate sponsors. It is proposed that the charity will be a ‘behind the scenes’ entity, with the only active solicitation of funds being via NPP and the trustees of the charity. The paper states that the charity *“will not actively market itself but simply compliment the work of NPP and support the sector in assessing corporate charitable donations”*.
- 2.2 The working group considers that any national charitable body would have to provide:

- Transparency to prospective donors
- Clear governance
- Clear accounting and financial stewardship; and
- Should minimise potential conflict of interest

## **Membership and Governance**

- 2.3 The working groups preferred option for establishing the charity is to set up a new national charity with NPAs as the members. Two sub-options for this preferred approach have been suggested, firstly that membership should be all 15 NPAs and secondly that membership should be open to all 15 NPAs. At the meeting of NPUK in February 2018 the majority of NPAs agreed to proceed on the basis that membership is open to all NPAs but not requiring the membership of all NPAs.
- 2.4 Members of the charity will have responsibility for nominating Directors/Trustees of the charity and agreeing its governing and key policy documents and for overseeing performance of the charity. It is proposed that the initial members shall have control of any subsequent admission to the charity as a member and would thus retain control of the membership and governance of the charity.
- 2.5 It is proposed that the charity is established as a 'member-led model' whereby trustees are appointed by members only. This approach was considered to offer mitigation against potential mission drift. Further clarity was sought on this model at the meeting and we understand that this is being addressed.

## **Structure and Stewardship**

- 2.6 The proposed structure is a (Scottish) Charitable Incorporated Organisation (CIO). This is proposed as Scottish Parks have experience of using this model and the working group have advised that it has streamlined registration and reporting requirements. It has a legal identity, limits the liability of trustees and provides a basis for sound governance arrangements through a memorandum and articles of association.
- 2.7 The charity would be governed by a board of five or six trustees who would be appointed by the members. Trustees would serve a period of three years and be eligible for re-appointment for a further three years.

## **Costs**

- 2.8 Establishing and running the charity for the first three years has been costed at £5,000 as no additional staff will be employed and there will be no administration or marketing budgets. NPP has agreed to absorb these costs within its operating costs subject to NPAs agreeing to the revised business plan (NPA/18/011). The working group states that the charitable vehicle would need no further investment from NPAs at this stage.

## **3 Issues for Consideration**

- 3.1 There is no business case outlining the levels of income a national charity might generate or any form of analysis of the potential opportunities. Whilst the majority of NPAs have agreed to establish the charity the lack of a business case or any form of analysis of the potential 'market' is of concern.

- 3.2 As an independent charity the distribution of funds will be a matter for decision by the trustees. The proposed objects of the charity (see appendix 1) will be closely aligned to national park purposes and the working group suggests that funds would be distributed through NPAs or our nominated beneficiaries; however, this is not a requirement. The working group has also stated that the purposes of the charity will be to seek to deliver equal benefit (to members only) over a five year period. Previous advice has suggested that a charity would not be able to merely distribute funds but would need to operate via a grant funding mechanism (ie members would have to submit project grant applications).
- 3.3 Not all NPAs are required to become members of the charity yet the charity will be purporting to represent all NPAs in the UK. The working group has also suggested that even if a NPA is not a member of the charity it would continue to benefit from any revenue generated. If this is achievable then the only dis-benefit from not becoming a member would be a lack of influence concerning the governance of the charity. However, if Dartmoor was not to become a member and the charity is established then there is a risk of the Authority's name and reputation being 'damaged by association'.
- 3.4 The working group has been clear about the stated intention of having a behind the scenes entity that would do no active marketing or fundraising beyond the discussions that NPP is already having with corporate sponsors. There is an apparent assumption that charitable sources linked to corporate sources will be an easy and straightforward source of funding. This may not be the case and the working group paper proposing the establishment of a national charity takes no consideration of NPA staff that might be required to service bids to the charity or support projects. Experience to date with NPP suggests that the scope for unrestricted funding is very limited and any funds that are secured are likely to be specific projects that meet the priorities of the funder.
- 3.5 In discussion at the February 2018 meeting of NPUK there was a clear desire to keep the charity separate from NPP in governance terms and ensure that the NPAs retain 'control' of the charity. There are questions as to whether this is achievable under charity law and some risk that NPP and the charity get merged in the future and the new charity is beyond the control of NPAs.

## **4 Financial Implications**

- 4.1 Establishing and running the charity has been estimated at £5,000 for the first three years though this would seem to be predicated on offers of free banking and it is not clear if provision has been made for legal and other costs. As noted above, the working group has based its proposals on an offer from NPP to establish the charity and operate it within the terms of the revised business plan (ie subject to NPAs agreeing to a subscription charge).

## **5 Conclusion**

- 5.1 NPUK has already given approval to a task and finish group to go ahead with developing a national charity for national parks based on the proposals outlined above and the report of the working group (see appendix 1). The question for Dartmoor NPA is whether it wants to be a formal member of the charity or not.

5.2 Without a business case setting out the potential for income generation it is difficult to advise on the impact of the charity in terms of funding. Many of the questions about governance and how funds might be distributed will only be resolved through approval by the Charity Commissioners and in operating the charity. There are also a set of reputational issues or risks. If the Authority wishes to influence the charity then it needs to be a member; if it does not then it should determine not to be a member.

KEVIN BISHOP

## **National Parks UK 20 February 2018**

### **Proposal on setting up a UK National Parks charity**

#### **By the Working Group on Growing Income and Support**

##### **1. Purpose of the report**

This report sets out the recommendations from the Working Group on Growing Income and Support to capture opportunities to grow income for the National Parks from major donors and corporate supporters. It identifies the opportunity cost of currently not being able to secure income nationally from corporate sponsors through charitable giving, it offers a number of tactical options to capitalise on the opportunity and it recommends NPUK Directors set up a UK National Parks Trust/Foundation and includes details on set up and operation.

##### **Key issues**

- At the June 2017 NPUK AGM it was agreed to set up a working group to look at how to grow income and support for the 15 National Parks. The group was set up in parallel to the Shared Services Working Group and at the time when National Parks Partnerships (NPP) had just been set up by NPUK to develop corporate partnerships and sponsorship. The Grow Income Working Group was set up to look at opportunities to diversify and grow funding for National Parks, particularly through giving and corporate donations, to enable us to achieve more in caring for the landscape and promoting opportunities for understanding and enjoyment and mitigate potential changes in core funding.
- At the February 2017 NPUK Executive meeting the terms of reference for this working group was agreed:
  - To work across the 15 National Parks to define the scale of our ambition and aspiration for growing income from charitable donations and commercial trading/partnerships
  - To consider and make recommendations for the resources required and the best operating model to work across UK National Parks, working with communicators in each NPA, to provide a unified, professional effective and well managed national marketing and communications operation to raise public awareness of the National Parks and support income development.
  - To consider the business case and, if appropriate, make recommendations on the best/most appropriate delivery vehicles to support the 15 UK National Parks in:
    - Raising public awareness of UK National Parks and to support income development
    - Raise donator support for UK National Parks through a potential UK National Parks charitable vehicle.
  - To note Directors of NPUK will be up-dated on progress of the working group
- The working group is comprised of the following officers: Scotland rep is David Cameron (Cairngorms National Park); Wales rep is Tegryn Jones (Pembrokeshire Coast National Park); England rep is Simon Malcolm (Peak District National Park); NPP rep is Naomi Conway; NPUK rep is Emyr Williams (Snowdonia National Park) who was lead NPUK NPO at the time of set up. It is sponsored Sarah Fowler (Peak District National Park)
- At the October 2017 NPUK AGM an up-date report was presented by the Working Group seeking a view on a number of the considerations before further work was undertaken. It also recommended that the NPUK Communicators Group was better placed to develop options for the operating model to provide a unified, professional effective and well managed national marketing and communications operation to raise public awareness of the National Parks and John Packman as lead NPO on communications is now leading this work. The group was tasked with bringing a further paper on a National Park charity to the February 2018 Executive meeting.

- Since then, the working group has met virtually several times, has sought initial views from NPOs and has worked with NPP Directors to develop a single approach from the National Parks, and its entities, to develop the options and recommendation presented in this paper.

## 2. **Recommendation**

1. ***Directors are asked to note and consider the conclusion of the working group that there is an opportunity for UK National Parks to access corporate CSR budgets through charitable giving and that currently the UK National Parks have no vehicle to accept these donations on a national scale.***
2. ***Directors are asked to review the options considered by the Working Group to create such a charitable vehicle, as set out below, and to approve the recommendation of the Working Group that we proceed with either option a or b:***
  - a. ***Set up a discrete national charity to be set up by NPAs, as members of the charity, with membership by all 15 NPAs***
  - b. ***Set up a discrete national charity to be set up by NPAs, as members of the charity, with membership open to all 15 NPAs***
  - c. ***Amend the terms of reference of an existing charity to act on a national basis***
  - d. ***All existing National Park charities to work together to benefit from national donations***
  - e. ***A third party sets up an independent charity to raise funds across all 15 National Parks***
3. ***Subject to the recommendation at 2 above being approved, Directors are asked to delegate work to progress and implement option a. or b. above to the Working Group, based on the proposal set out in section 5 and working with NPOs to gain any necessary approval from their respective National Park Authority and with National Parks Partnerships.***

## 3. **Background - matching our offer to the market: the need for a charity vehicle**

### 3.1 **What's the problem?**

The 15 National Parks through the work of NPP now have over 12 months of market insight into corporate income generation opportunities. Through more than 100 conversations with companies and through developing National Park 'packages' for support, NPP has identified a barrier to engagement and support.

The barrier is the lack of a vehicle through which some corporate entities would prefer, or need, to channel their not-for-profit or corporate responsibility activity. Companies including American Express, the Postcode Lottery, Tesco and EON are amongst those who have expressed an interest to NPP in funding the work and principles of National Parks and can only support via a charitable entity.

From this insight it has been established that we are losing a significant number of prospective financial supporters of National Parks because of the lack of charitable entity at a national level. While a significant number of prospects see the 'cause' that should be getting support is National Parks' 'first purpose' activities such as landscape restoration and conservation, we are finding that this type of work is not easily 'packaged' as a commercial partnership and without benefits to give in return to funders is not a strong sponsorship proposition. It is much more attractive to fund via philanthropic (charitable) corporate giving.

In summary, our target market is asking us to make it easier to support the 15 National Parks at a national level through corporate charitable giving.

### 3.2 **What's the solution?**

To remove this income-limiting barrier it is proposed to create a charitable vehicle that exists to support the family of 15 National Parks. This is a tactical device to match the National Park

offer to the needs of the market. It would enable NPP to pitch with confidence knowing it could channel potential financial support at a critical moment in the sales process. It would enable NPP to differentiate sponsorship and philanthropy propositions, widening National Parks potential attraction to the corporate market.

It would ensure when competing for attention with other fundraising causes, National Parks are not disadvantaged alongside national 'competitors' such as the National Trust, RSPB and Woodland Trust. Crucially, the charity will be a 'behind the scenes' entity and the only active solicitation for funds will be via NPP. The vehicle will be a passive entity, receiving and distributing funds. It will not proactively market itself. Promotion can be undertaken through existing, agreed means of National Park Partnerships (NPP). The charity will exist to complement the work of NPP and support the sector in accessing corporate charitable donations. As such, there will be no additional competition in the charitable sector with existing charities operating within National Parks.

Whatever charitable entity is created, the Working Group considers it needs to provide:

- Transparency for prospective donors;
- Clearest governance;
- Clearest accounting and financial stewardship;
- Minimise potential conflict of interest.

In summary, the creation of a charity vehicle as soon as practicable in 2018 will greatly improve NPP's ability and likelihood of generating income for the 15 National Parks as well as establishing an asset that all Parks can benefit from in the future.

***Recommendation 1: Directors are asked to note and consider the conclusion of the working group that there is an opportunity for UK National Parks to access corporate CSR budgets through charitable giving and that currently the UK National Parks have no vehicle to accept these donations on a national scale.***

#### **4. Options for creating a charitable vehicle for National Parks at a national level**

The Working Group has identified a number of options for creating a charitable vehicle for National Parks to fund-raise at a national level, as follows:

- a. Set up a discrete national charity to be set up by NPAs, as members of the charity, with membership **by all** 15 NPAs
- b. Set up a discrete national charity to be set up by NPAs, as members of the charity, with membership **open to all** 15 NPAs
- c. Amend the terms of reference of an existing charity to act on a national basis
- d. All existing National Park charities to work together to benefit from national donations
- e. A third party sets up an independent charity to raise funds across all 15 National Parks

##### **4.1 Option a or b: set up a new discrete National Charity with NPAs as members**

This is the recommended approach by the Working Group as it most closely fits to need identified in section 3 above, it maximises the degree of ongoing influence of National Park Authorities over the activities of a charitable vehicle and it meets the requirements of:

- Transparency for prospective donors;
- Clearest governance;
- Clearest accounting and financial stewardship;
- Minimise potential conflict of interest.

##### **4.2 Option c: Amend the terms of reference of an existing charity**

The expansion of an existing charity has been considered as an alternate option. However, there are significant shortcomings in governance arrangements that prevents the working group from supporting an existing charity expanding its remit to undertake this activity and also retain an existing regional or single Park focus. It is easy to see that conflicts of interest around "local" as opposed to national interests would become rife were a single charity and a single

set of Trustees charged with both local and national responsibilities. There is also a strong argument that this option would lack the clear transparency likely to be sought by corporate donors. Such an approach does not appeal to prospective donors who wish to give to a national charity, with a clear national remit and name/brand. Finally, it is questionable as to whether a transformation of an existing charity would be any cheaper to implement or lighter in terms of governance input by NPAs, either initially or on an ongoing basis, than the registration of a new charitable entity.

#### **4.3 Option d: Existing National Park related charities working together as a group**

The working group does not recommend this approach, for the following reasons. Only 7 of the 15 National Parks have a linked charity, and a national charitable entity needs to be able to generate funds for all 15 National Parks. Administering, decision making and gaining consensus amongst 9 separate entities will be time consuming, costly and complex in nature, with no existing resource to undertake this task. This arrangement will not be attractive to donors, in particular corporate donors who require money to be channelled to one entity at point of donation.

#### **4.4 Option e: A third party sets up a charity to benefit the National Parks**

There is a possibility that any individual or grouping entirely divorced from the National Park Authorities and National Park Partnerships could set up a charity to invest in National Parks. The result would be that NPAs would have no control, involvement or influence over the operations and purposes of the charity. There also is the potential for confusion amongst public and stakeholders as to who the charity is and whether it is linked, or not, to the National Parks and for charity to direct funds to areas that do not meet the National Parks priority needs. Leaving this option open for others presents a risk and highlights the opportunity to act now to take some control over this space in charity operations.

***Recommendation 2: Directors are asked to review the options considered by the Working Group to create such a charitable vehicle, as set out above, and to approve the recommendation of the Working Group that we proceed with either option a or b:***

- a. Set up a discrete national charity to be set up by NPAs, as members of the charity, with membership by all 15 NPAs***
- b. Set up a discrete national charity to be set up by NPAs, as members of the charity, with membership open to all 15 NPAs***
- c. Amend the terms of reference of an existing charity to act on a national basis***
- d. All existing National Park charities to work together to benefit from national donations***
- e. A third party sets up an independent charity to raise funds across all 15 National Parks***

## **5. Proposal to set up a National Park Foundation/Trust**

The Working Group has developed the following proposal for National Park Authorities to proceed with setting up a discrete national charity as described by option a or b. Appendix 1 sets out example extracts for a potential constitution of such a charitable vehicle for illustrative purposes.

### **5.1 Purpose**

The organisation's purpose will be wholly charitable and, in particular, to be to advance for the benefit of the public within the areas designated as National Parks in Scotland, Wales and England:

- Conservation and enhancement of natural and cultural heritage;
- Promotion of the sustainable use of the natural resources of the national parks;
- Promotion of understanding and enjoyment, including recreation, of the special qualities of the national parks by the public;
- Promotion of the sustainable development of the communities within the national parks;



- Promoting knowledge transfer and sharing best practice in the delivery of sustainable rural development projects.

The organisation shall seek to advance these purposes by:

- Seeking, receiving and appropriately administering donations to support the achievement of the organisation's purpose;
- giving grants or loans or providing credit or other forms of assistance, financial or otherwise, to persons undertaking projects, initiatives and/or activities which further any of the above purposes or objects and which are wholly charitable within the meaning of the Taxes Acts and section 7 of the 2005 Act;
- commissioning appropriate activities in furtherance of the above organisational purposes;

The organisation shall operate to the public benefit within the following charitable areas of activity:

- The advancement of education on subjects related to the organisation's purposes;
- The advancement of health through investment in projects which facilitate access to the special qualities of the national parks and recreation within these areas, and through investment in facilities supporting healthier communities;
- The advancement of citizenship and community development;
- The advancement of the arts, culture, heritage or science;
- The provision of recreational facilities and the organisation of recreational activity;
- The advancement of environmental protection or improvement;

As a charity representing members drawn from a number of distinct geographic areas, the organisation and those responsible for its governance shall seek to ensure, as far as reasonably possible, that levels of investment are made equally over all geographic areas covered by the organisation in a rolling five year period.

## **5.2 How would it work?**

The charity vehicle would have a small board of trustees, a charity registration number and a bank account. It would have no paid staff. The only fundraisers for the charitable vehicle will be the employees and board of National Parks Partnerships and trustees of the charity vehicle, undertaken as part of their ongoing work to generate support via NPP. No promotional/marketing activity would take place for the entity, unless such activity was undertaken in partnership with a major funder.

The charitable vehicle will not solicit funds from individuals, trusts or foundations, nor to promote itself to such donors, unless a referral is made via an individual National Park. In this way it will not compete with the local fundraising efforts of individual National Parks and/or their allied charities.

The charitable vehicle will create a giving opportunity for those companies (or their customers) that wish to support National Parks, but who can only give support to a charity.

## **5.3 Operational principles**

The charitable entity would be 'light touch' in approach to how it operates and makes decisions. With a recommended modest sized Trustee body of 5 to 6 individuals. Ensuring close communications between NPP and the charitable entity would be key to ensure that the charity is able to respond quickly if required when fundraising opportunities and/or decisions need to be made. The Development Director of NPP would have their job description amended to include responsibility to work closely with the Trustees of the charitable entity, to brief them regularly and to maximise the income generating opportunities that the charity presents.

#### **5.4 Members**

Membership of the charity shall be open to all National Park Authorities and NPP. It is not essential for all 15 to become members. [reference clause 13 of Appendix 1]. As set out above, the purpose of the charity will be to work for the benefit of all National Parks in the UK irrespective of the degree to which all 15 Authorities elect to join.

Members will have the responsibility of nominating Directors / Trustees and agreeing any amendments to the Memorandum and Articles of Association. Members will also agree any key documents setting out / amending the terms of reference of the charity and consider performance of the charity through the AGM process.

The initial members shall have control of any subsequent admission to the charity as a member [reference 13.2, appendix 1] and may therefore retain collective control of the membership and therefore governance of the charity.

Those NPAs who are not members of the charity will therefore not be able to exert any influence over the operation of the charity through Director nominations and AGM processes.

#### **5.5 Member-led model or Trustee-led model**

It is proposed that the charity is set up as a member-led model. This means Trustees are appointed by members only, and on a fixed term basis, and there is no right allowed for Trustees to co-opt or appoint others to Directorship. This approach is considered to mitigate the risks of mission drift. [Reference to clause 36 , appendix 1]. Others have proposed a Trustee-led model, with Trustees as sole members. While this would produce the easiest way to establish, maintain and manage a charity the Working Group does not believe it delivers anything in the way of buy-in to the structure and its operations by NPAs, which will be required to ensure collective activities do not cut across each other. It also presents a risk of mission drift and partnership issues arising between the charity and the NPAs. So while offering an easier initial set-up option, it potentially stores more work for the future. \_Membership models can require more work – however, that is the work we are already engaged in to a great extent with the discussions on set up of a charity with NPA CEOs and Boards.

The experience of Working Group members setting up similar models elsewhere have not brought to light any charity assessment issues around charitable organisations benefitting their members. The charities test focuses on an organisation's purpose and the need to ensure there is clear public benefit. The direct "benefit" therefore has to be to the general public rather than NPAs. The indirect benefit will be for NPAs in seeking investment happen within National Parks. The focus of the test is therefore what the organisation seeks to do and how it will do it, not whether there are organisational members who may be assisted in their objectives as a consequence of delivering wider public benefit.

#### **5.6 Trustees / Directors**

The proposal is that a Board of 5 to 6 Trustees are elected, with one trustee nominated by Scottish NPAs; one trustee nominated by Welsh NPAs; and up to four trustees nominated by English NPAs. Minimum number of Trustees is suggested to be set at three for purposes of quorum. This is proposed as it will be more workable in terms of governance than a Board comprising a nominee from each and every member [reference clause 34, appendix 1]. Nomination and election wording can be drafted appropriately if this principle is accepted.

Trustees are proposed to be appointed for three year terms. This gives a reasonable term to take up and understand the role, while the end of term provides members some degree of control of monitoring any mission drift and nominating new Trustees if required. Reappointment of Trustees would be permitted, with a suggested limitation of two or three terms depending on NPAs views.

## 5.7 Appropriate Charity Structure

Given the aim of the charity vehicle is to be relatively passive, receiving and distributing / investing charitable donations, establishing a (Scottish) Charitable Incorporated Organisation appears the most appropriate route.

This provides:

- Single registration with the (Scottish) Charities Regulator Only and therefore most streamlined registration and annual reporting requirements;
- A legal personality which can therefore enter into legal contracts in its own name, as likely to be required for receipt of corporate donations, and may itself enter into delivery contracts which may be required to support investment activities;
- Protection for nominated Trustees who do not carry personal responsibility for the affairs of the charity (although they must of course act in accordance with wider legislation);
- Relatively “tight” governance arrangements and operations through approved Mem and Arts / Constitution.

This avoids:

- Dual registration with Companies House as would be required for a charitable company with duplicate annual reporting requirements;
- Direct liability of trustees where an unincorporated Trust or Association was considered;
- Complex multiple partner agreements where incorporated entities have to act as intermediaries in establishing legal agreements;
- Risk of incompatibility of charitable structure with criteria / requirements of potential corporate donators.

## 5.8 What would be the cost of running the charitable vehicle?

The initial resource costs in set up of the charity are expected to be minimal. Application to the charities commissioner in either Scotland or England and Wales can be undertaken by existing staff teams, an offer has been made by Cairngorms National Park.

Establishing and running the entity will cost an anticipated £5,000 for its first three years (see table 1). No staff will be employed and no communications/marketing budget will be required. The staff of NPP could undertake the administration of Trustee meetings. Cairngorms NPA have offered governance support, in addition to helping to set up the charity free at no cost to other NPAs. David Allen accountants have offered to undertake audit/finance management as an extension of their current pro-bono support for NPP. NPP would be happy to see whether Handelsbanken (NPP bankers) would offer the charity a bank account.

NPP has agreed that these costs can be absorbed within the operating costs of NPP over that period (within its current projected budget as per Business Plan 2018-2021).

The charitable vehicle therefore needs no further investment from National Parks at this stage.

**Table 1: Projected Three Year costs of a charitable vehicle**

	Year 1 (£)	Year 2 (£)	Year 3 (£)
Charity registration	150		
Legal	2,000		
Trustee T&S	750	750	750
Administration	250	250	250
Accountancy	FOC (via David Allen)	FOC (via David Allen)	FOC (via David Allen)
<b>TOTAL</b>	<b>3,150</b>	<b>1,000</b>	<b>1,000</b>

### **5.9 Distribution of Project Funds**

As an independent charity the distribution of funds will be a matter for decision by the Trustees, to fulfil the objects of the charity.

The charity would be extremely likely to distribute funds via the UK's National Park Authorities as they are best placed to deliver activities and projects that meet the objects of the charity. As only NPP will be soliciting funds for the charity, the areas of work that will be seeking support for will be those as already outlined by NPP as a priority – e.g. volunteering, education, access, conservation, path restoration, etc. In this way, the distribution of funds is highly likely to be the same as per NPP's methods and guiding principles of distribution.

The final paragraph in the "Purpose" section seeks to establish equality of benefit over a five year period. This recognises that distribution or investment of project funds equally in each National Park may not be possible in each given year. The charity is therefore tasked to equalise benefit to each member over a more strategic period – suggested to be 5 years.

### **5.10 Potential future development**

The 15 National Parks may decide at some point there is a benefit to having a more public profile and the need for a national, high-profile body that could seek donations from individuals, trusts or foundations. If they did, the benefit of creating the charitable vehicle now would mean having a ready-made entity to work with and develop at the appropriate time. Should the charity's establishment be such a successful catalyst for receipt of significant financial donations, then forward resourcing can be considered at that point, with the benefit of finances available to support any additional costs incurred.

***Recommendation 3: Subject to the recommendation at 2 above being approved, Directors are asked to delegate work to progress and implement option a. or b. above to the Working Group, based on the proposal set out in section 5 and working with NPOs to gain any necessary approval from their respective National Park Authority and with National Parks Partnerships.***

## **APPENDIX 1**

### **Extract of Charity Articles of Association**

Illustration of Control of Charity by Defined Members

#### **Members**

- 11 The subscribers to the memorandum of association of the Trust and such other persons as are admitted to Membership in accordance with the Articles shall be the Members. From the date of adoption of these Articles there shall be only one category of Member.
- 12 In the event of the number of Members falling below three, the Directors shall convene an Extraordinary General Meeting of the Trust for the purposes of considering whether the Trust should be wound up. Admission of Members
- 13.1 The Members at the date of adoption of these Articles are:
- Organisation A
  - Organisation B
  - Organisation C
  - Organisation D
- 13.2 The power of admitting persons to Membership shall be vested solely in the Members who shall be entitled, by Special Resolution, to admit as a member of the Trust any person which
- 13.2.1 is a body corporate duly incorporated or registered in the United Kingdom or
  - 13.2.2 is a limited liability partnership registered under the provisions of the Limited Liability Partnerships Act 2000 or
  - 13.2.3 is a public authority constituted by Act of Parliament AND
  - 13.2.4 in the opinion of the Members acting in their sole discretion has a concern or responsibility, acting in the public interest, for the fulfilment of the objects of the Trust.

#### **Cessation of Membership**

- 14 Notwithstanding the other provisions of the Articles a Member shall cease to be a Member of the Trust on the earliest to occur of:
- 14.1 its dissolution (or in the case of a natural person who is a Member at the date of adoption of these Articles, his death);
  - 14.2 the expiry of one month from the date on which he or it has given notice in writing addressed and delivered to the Secretary of the Trust of its withdrawal as a Member;
  - 14.3 the date on which the Members, acting in their sole discretion, pass a Special Resolution for such Member's removal whether or not assigning any reason for such removal;
  - 14.4 the date on which he or it becomes bankrupt or apparently insolvent.
- 15 A Member whose membership of the Trust has been terminated in accordance with Article 14.3 shall have the right to request the Members to be heard provided that the existence of such right shall not affect the validity of any resolution by which his membership has been terminated.

## **Appointment and Retiral of Directors**

- 34 Each Member shall be entitled from time to time, by notice in writing to the Trust
- 34.1 to nominate and appoint a person to be a Director of the Trust and
- 34.2 to terminate the appointment of such person and appoint another to take his place.
- 35
- 35.1
- 35.2
- 36 The Directors shall [not] be entitled [from time to time] to appoint persons to hold office as Directors provided that
- 36.1 [the aggregate number of Directors appointed pursuant to this Article 36 and holding office at any time shall not exceed three and]
- 36.2 [any Director so appointed shall retire on the fourth anniversary of the date of his appointment but shall be eligible for re-appointment for a further single term of four years].
- 37 No person shall be appointed as a Director pursuant to any of Articles 34, 35 and 36 if he or it is disqualified by law from holding office as a Director and unless
- 38.1 in the case of a natural person he is a British citizen and
- 38.2 in the case of a legal person, it is either
- 38.2.1 a body corporate duly incorporated and registered in the United Kingdom or
- 38.2.2 a limited liability partnership registered under the provisions of the Limited Liability Partnerships Act 2000 (as amended from time to time) or
- 38.2.3 a public authority constituted by United Kingdom Act of Parliament.

## **Liability**

- 46 The liability of the Members is limited.
- 47 Each Member undertakes to contribute such amount as may be required (not exceeding £1) to the Trust's assets if it should be wound up while he is a Member or within one year after he ceases to be a Member, for payment of the Trust's debts and liabilities contracted before he ceases to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

## **Miscellaneous**

### **39 Winding-up**

If the organisation is to be wound up or dissolved, the winding-up or dissolution process will be carried out in accordance with the procedures set out under the Charities and Trustee Investment (Scotland) Act 2005.

Any surplus assets available to the organisation immediately preceding its winding up or dissolution must be used for purposes which are the same as - or which closely resemble - the purposes of the organisation as set out in this constitution.

#### **40 Alterations to the constitution**

□□□□ This constitution may (subject to clause 40.2) be altered by resolution of the members passed at a members' meeting (subject to achieving the two thirds majority referred to in clause 20.3) or by way of a written resolution of the members.

□□□□ The Charities and Trustee Investment (Scotland) Act 2005 prohibits taking certain steps (such as change of name, an alteration to the purposes, amalgamation, winding-up) without the consent of the Office of the Scottish Charity Regulator (OSCR).