

Evaluation of the National Parks' Sustainable Development Fund

March 2004

Summary Report

1) **Headline Findings**

- During its first eighteen months the National Parks' Sustainable Development Fund has proved overall to be effective at delivering the outcomes identified at its launch. Some of the projects supported by the fund are outstanding in their impact – achieving high scores against all the principles of sustainable development.
- Good value for money is being obtained. Obligated funding has secured a focus of effort and output significantly in excess of what would have been achieved if national park authorities had been allocated the same amount of money as additional core funding. Beyond the direct benefit of individual projects, the Fund has produced a step change in awareness, creativity and entrepreneurship on the part of local communities and businesses.
- In the light of this evaluation it is recommended that the Fund should be continued beyond March 2005 as a three year rolling programme. Consideration should be given to selective extension of the Fund beyond national parks, to AONBs, perhaps in the form of regional pilots.

2) **Background to the Fund**

The Sustainable Development Fund (SDF) is a new pilot funding stream for English national park authorities and the Broads Authority (henceforth collectively NPAs or 'Parks'), launched in July 2002 by the Department of Environment, Food and Rural Affairs (Defra) to provide a flexible and non-bureaucratic means of funding projects which *“aid the achievement of National Park purposes by encouraging individuals, community groups and businesses to co-operate together to develop practical sustainable solutions to the management of their activities”*¹.

The fund itself is as innovative as are the projects that it is intended to support. The funding is relatively small (some £2.6m, or £325,000 per park over the 18 months to this report). However, the aim is ambitious; with a minimum of preconceptions or formalities, to *“develop and test new ways of achieving a more sustainable way of living in the countryside”*.

In each Park small SDF Panels, serviced by, but at arms length from, the national park authority (NPA), have been established to oversee delivery of the Fund, to foster innovative projects and to monitor their outcomes at Park level.

The Countryside Agency (CA) on behalf of Defra has commissioned the Centre for European Protected Area Research (CEPAR) to conduct an evaluation of how SDF has performed against its key objectives after the first eighteen months of its operation, to aid decisions about the future of the scheme from April 2005.

CEPAR's work has been based primarily on information provided by NPAs themselves, including analysis of project data, individual discussions and a series of workshops with SDF teams and others. In addition personal visits to parks and projects have enabled us to assess

¹ Defra, 2002 (July) Sustainable Development Fund Prospectus. Unless otherwise attributed, quotations in this document are taken from this source.

the operation of SDF at first hand, to 'ground truth' a selection of projects and to identify and report on exemplars of best practice.

The study has raised a number of theoretical as well as practical issues to do with defining and delivering sustainability. A separate Research Note² summarises some of the empirical findings and conceptual issues arising from the study.

3) Effectiveness of the fund

The Sustainable Development Fund has proved itself to be an effective adjunct to other mechanisms for delivery of sustainability objectives in English national parks. The majority of projects have made a contribution to the protection of the natural and cultural resource and the 'special features' of the Park, to the social and economic well-being of local communities and/or to public understanding and enjoyment. SDF has provided a 'bottom up' complement to wider sustainability policies at Park, regional and national level. It has stimulated original thinking and action and has proved a learning process both for those involved with or affected by individual projects and for national park authorities and stakeholders.

The variety of projects underway and the diversity of grant holders and project beneficiaries are testament to the effectiveness of this relatively small fund in promoting engagement and innovation by local communities and in developing individual, institutional and social capacity to deliver sustainability. The majority of SDF projects would not have been initiated in the absence of SDF. It is clear that the Fund has (partly as a result of its broad criteria) generated activities, which fall outside the remit of other funding streams.

SDF projects have secured match funding of over £13m cash and over £750,000 in kind. Not all match funding however can be regarded necessarily as 'leverage' or as real input to the local economy. Some expenditure would have occurred independently of SDF. Some expenditure was on 'bought in' finished goods where these could have been sourced locally. Match funding in kind has not always been independently quantified and there has been uncertainty in some cases whether it should be treated as a project input (and thus appear as leverage) or as an output (additional community engagement which would not otherwise have occurred).

SDF has delivered quite different outcomes in the different Parks, reflecting local circumstances and the delegation of decision making to Park level. This autonomy has allowed the fund managers to apply the sometimes intangible and difficult concepts of sustainable development to real world issues in a pragmatic, imaginative and effective way.

4) Fund Management

All English NPAs have instituted effective arrangements for implementation and delivery of SDF and its objectives. These vary considerably between Parks, in part related to existing institutional arrangements for delivery of sustainability objectives and the availability of other funding streams.

There are differences in the degree of autonomy, membership and function of SDF panels between Parks, and in the degree of 'hands on' involvement of NPA officers and Panel members in encouraging and developing appropriate applications. Early attempts to develop a scoring system for assessing project applications have had mixed success; most Panels now use 'summative assessment' though extended panel discussion.

Delegation of approval of small grants to the SDF Officer (SDO) speeds the response to such applications, the grant limit of which varies between £1,000 and £5,000. The details of financial and project control applied between NPAs varies greatly.

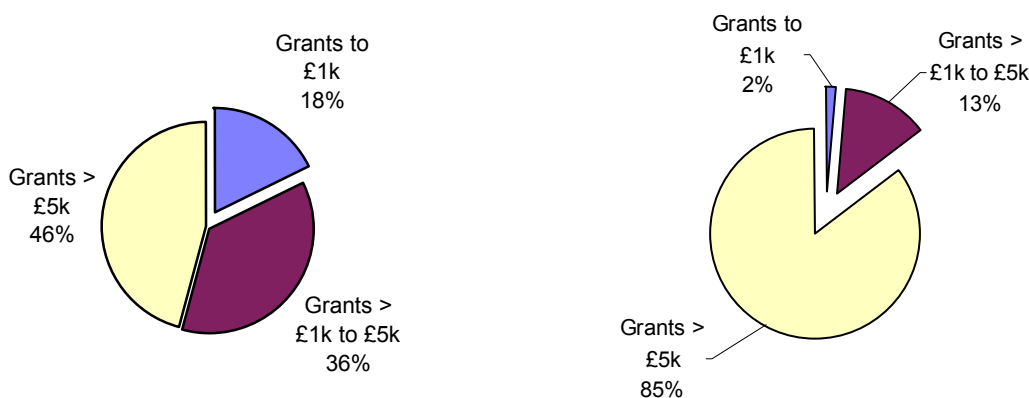
² Available at www.countryside.gov.uk

The relative balance of advantage seems to lie with the ‘hands on’ involvement of the SDF Officer and/or individual Panel members (or members or officers of the NPA). The dangers of such a relationship (including that of possibly ‘skewing’ the direction of funded projects towards the delivery of specific NPA objectives, or of leading to loss of ‘ownership’ of the project by the grant holder) are recognised and have largely been avoided.

5) How has the money been spent?

Over 1,000 expressions of interest have been recorded; 300 projects have been approved; just under £3m has been committed. This is an average of 39 grants and £300,000 per Park.

The average grant is £7,700, however this conceals a wide range in the value of individual projects. The smallest grants are for less than £500; three grants exceed £50,000. The pie charts below show the spread of grants of less than £1,000, £1,000 – £5,000, and more than £5,000, first, by number of grants awarded and second, by spend within the different categories.



Some SDF teams have discouraged larger and more costly projects in favour of smaller grants, despite the added administrative work that this involves, because of a belief that these small projects offer better ‘value for money’ and best embody the spirit of sustainable development. Others feel that it is the larger projects that offer best value because of their potential for significant innovation, their newsworthiness and the multiplier effects that they can bring. Several NPAs have reported difficulty in attracting good small grant applications; in some cases money earmarked for small grants remains unspent.

Administrative costs

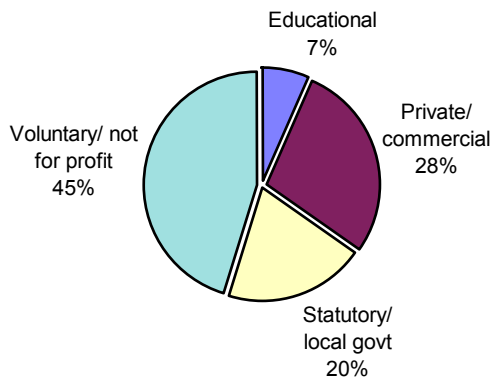
In most cases the fund is administered by a secretariat from the NPA. In one Park, delivery is contracted out to an experienced external consultant who invoices the Fund via the NPA on a ‘work done’ basis. In another an agency arrangement exists with a local trust, which adds 5% to projects costed at or below £5,000 as a management fee. Average reported expenditure from SDF on administration and delivery is 6% of the fund total and in all cases is within the 10% ceiling specified in the Prospectus and in several instances is significantly lower. In some cases low spend is due to start-up delays. In all cases there have been significant inputs (in staff time, office accommodation, expenses &c) from other sources, including those of the NPA. There is no doubt that this is significant, and a major contribution to the success of SDF to date, and demonstrates real buy-in by the NPAs.

Proper support to SDF to generate, support and to disseminate the results of good projects is critical. Small grants in particular consume a disproportionate amount of administrative support, but may yield disproportionately high benefits. Several NPAs have argued that the proportion of SDF funding that may be allocated in this way should be allowed to rise to 15%. However this may not in itself guarantee the kind of support

required. It is likely that the indirect (and difficult to quantify) support from NPA officer staff may be of the greatest significance in this respect.

6) Project applicants

Analysis of project grant holders shows a good distribution of funded projects between a wide diversity of project applicants well balanced between major categories (see below).



Some interesting differences exist between Parks. For example 16% of grants in one Park went to educational bodies compared to fewer than 3% in another. The latter has the lowest number of allocations to statutory bodies (5%, compared to almost 35% in a third Park) and the highest allocation to voluntary/ not-for-profit bodies (64%, compared to 29% in a fourth Park). Different patterns emerge however if allocations by value (rather than number) are considered, and it is difficult to draw any robust conclusions from this analysis.

7) Assessment of project outcomes

The single immediate conclusion from CEPAR's analysis of projects by content and objective is their diversity. Many projects are still ongoing and for most of those, which are complete, it is too early to assess their long-term benefits.

In order to assess potential project outcomes in relation to their contribution to the principles of sustainable development, CEPAR has developed ten criteria (related to the Countryside Agency's Quality of Life work);

CEPAR’s framework for project content analysis

| Concept | Category | | Criterion |
|---|--|--|--|
| Resource protection & ‘special qualities’ | Natural capital | Biotic | Species, biotopes, whole landscapes 1) Is there significant benefit to/ protection of flora/fauna, or biotopes? |
| | | Abiotic | Energy, mineral resources, biogeochemical cycles 2) Is consumption reduced, reuse/ recycling promoted or harmful outputs restricted? |
| | Cultural capital | Fixed & mobile artefacts | Historic & built environment; in situ & ex situ. 3) Are valued structures & artefacts preserved/ enhanced (on site or (e.g.) in museums)? |
| Understanding, enjoyment, & social and economic well-being | Economic capital | Money, Employment | 4) Are jobs created or income generated (within the local or Park economy)? |
| | Human capital | Competence, knowledge & understanding | 5) Are valued skills being retained/ generated, or is knowledge being secured/ spread? |
| | Social capital | Participation, & citizenship | 6) Is there significant additional involvement & engagement of local communities or the wider public? |
| Inclusion, equality, opportunity | | Class, gender, age, ethnicity, (dis)ability, refugees. 7) Are disadvantaged or excluded groups enabled and included? | |
| Robustness & risk | Continuation or extension in time | | 8) Will the activity continue beyond the lifetime of SDF funding? |
| | Replication or extension in space | | 9) Can the project be extended or replicated elsewhere (inside or outside the Park)? |
| Innovation | Social learning | | 10) Does the project involve a significant re-examination or change in awareness, understanding, attitudes and/or behaviour on the part of those affected?* |

* This last criterion could in principle include ‘failed’ projects from which significant lessons could be derived.

Using these criteria we are able to present - in the main report - sensitive measures of project outcomes, although it must be stressed these are mostly based on SDF team reports (which sometimes undersell the full benefits of projects).

These ten criteria can be combined to give us three key measures³ of SDF goals:

- Protection of the natural and/or cultural resource;
- Contribution to the local economy and/or community;
- Robustness, risk and social learning.

44% of SDF projects score in terms of the first measure (significant protection of the natural or cultural resource), and 93% in terms of the second (contribution to the local economy or community). However neither environmental protection, nor social or economic benefit by themselves render an activity 'sustainable'. Truly sustainable projects need to show both – and 39% of SDF projects were judged to do this. 34% of all projects scored against all three measures, and hence might be said to be 'strongly' sustainable.

CEPAR's independent scoring (and also that of the SDF officers) indicates that about 70% of projects are likely to continue beyond the lifetime of SDF funding. However the latter figure is inflated by the inclusion of capital (e.g. renovation and building projects) whose impact by definition last beyond the date of completion.

SDF teams estimate that 58% of projects provide models applicable to other areas within and/or beyond the National Park. CEPAR's own analysis excludes projects that do not include 'special' features (such as green design in building and capital works) from which others can learn, and rates 39% as falling into this category.

Innovation is an absolute criterion of the SDF prospectus but its estimation will necessarily involve value judgements to distinguish between projects that break new ground and those that merely extend existing good practice. 13 projects (4% of the total) were felt to be so fundamentally innovative that they challenge existing understandings and assumptions.

In many cases the value of a project (and the justification of SDF funding) lies not so much in its immediate benefits, but in its value as a demonstration and in dissemination of the results. This is not something on which a meaningful judgement can be made at this early stage in the SDF pilot.

Our programme of site visits and discussions with grant holders and project beneficiaries has yielded qualitative insights and added a good deal of flesh to the analytical bones presented above. It has also emphasised the need for further monitoring and research, for example regarding the effectiveness of 'bottom up' interventions such as SDF in enhancing natural, cultural, economic, human and social capital.

8) Other outcomes of the Fund

One of the goals of SDF was further to embed the principles of sustainability in the work of NPAs and in the life of communities who live in and around the national parks. As a result of the SDF programme:

- Awareness of sustainable development amongst staff and members of a number of NPAs has been greatly increased, not only through involvement in SDF projects but as a result of training sessions delivered as part of the SDF initiative

³ Note that these are not the same as the often-cited 'three legs' (environmental, economic and social) of sustainability. 'Social and economic well-being' are treated here as a single factor equivalent in importance to protection of the natural and cultural resource. Our 'third leg' – robustness, risk and social learning is a key element of the spirit of SDF.

- At least two NPAs have appointed Sustainable Development Officers to their permanent staff complement
- Through the Fund sustainability has been put on the agenda at many levels. For example in one Park it has been discussed in person with 90% of the Park's parish councils.
- SDF has brought a new constituency into contact with NPAs. In particular it has been of interest to excluded, disadvantaged and minority groups who previously may have felt the national park designation was of little relevance to them.

The SDF has also impacted on NPAs in other ways: helping delivery of the authorities' vision on the ground (which is often limited by tight core funding) and helping some stakeholders to relate to the Park and the NPA in a new way.

SDF teams and panels have emphasised to us their role as facilitators rather than gatekeepers. For example, when a project falls outwith the SDF remit they are usually able to help applicants to develop their thinking further along sustainable lines, or direct them to other funding or support opportunities.

9) Issues arising through our evaluation

- a) Uncertainties over year-on-year funding have made it difficult for NPAs – and project applicants - to plan ahead. NPAs have had to apply seemingly arbitrary deadlines for grant applications and end dates, and a stop-go approach to SDF promotion has sometimes resulted in lower quality projects than could otherwise have been achieved. This short-term approach may be considered itself at variance with the principles of sustainability.
- b) There are significant differences between Parks in the content of projects they have funded. These in part relate to differences in individual Park circumstances but also to different ideas about sustainability that are reflected in projects supported.
- c) Revision of Treasury guidance to allow carry-over of unspent funds is an important contributor to good financial management and (in the spirit of SDF) has allowed project teams to give provisional acceptance to projects which have not yet been fully articulated, knowing that some of these may not materialise within the time-frame of current funding. It has also allowed them to 'take risks' knowing that allocations to projects which then fail to develop as expected can be used elsewhere.
- d) Other financial issues, which have been resolved differently in different Parks, include the allocation of interest from unspent funds, and whether 'ethical reinvestment' returns should be required from profitable enterprises that have benefited from SDF support.
- e) The light touch in project monitoring, and the lower emphasis given to quantitative outputs, is seen as leading to higher quality projects.
- f) After two years there is no decrease in the number of applications coming forward. Some parks are reporting that applications are now of a higher quality than at the outset. This continuing stream of suitable applications appears to be in contrast to the experience in Wales, where applications fell off at this stage. Oversight of the fund has been a major learning opportunity for members of the SDF panels; as a result of their involvement over a period of time they are now making better decisions than they were at the outset.

10) Conclusions and recommendations

An overall verdict on the success of SDF depends on what is expected of it. If seen primarily as a small but flexible pot for 'soft funding' rural enterprise and community projects, overcoming the financial restriction on NPA duty with respect to the social and economic well being of local communities then it has undoubtedly proved its worth. All projects have been in conformity with Park purposes; the majority have in some way furthered them.

However the letter of SDF prospectus is more ambitious than this; the aspiration is for SDF to “develop and test new ways of achieving a more sustainable way of living” in ways that “change the attitude and behaviour of individuals and communities”. In this respect, SDF can also claim success, but only partly in terms of the sum of what individual projects have achieved on the ground. More important is the fact that SDF has put the issue of practical action to secure sustainability firmly on the policy agenda within national parks in a way that requires ‘bottom up’ initiatives to complement ‘top down’ policies.

SDF has already proved itself a significant learning experience for Park communities and for NPAs. This is in keeping with the role of protected landscapes as ‘test beds’ for environmental and social innovations that may subsequently extend to the wider countryside. Sustainability is an idea, not a recipe, and raises questions to which there are no universal or immediate answers. SDF has amply proved its worth, not just for the immediate benefits that projects have brought to their participants and local communities, but in identifying possibilities for delivering on the fundamentals of sustainability which may subsequently be developed elsewhere.

Recommendation 1 SDF should be continued within English Parks beyond March 2005.

Recommendation 2 From April 2004 this should be on a three-year rolling basis. This would address the significant difficulties resulting from late announcement of funding extension

Recommendation 3 The existing level of funding per protected landscape is appropriate and should be retained at its present level, i.e. £1.6m p.a. between the eight English Parks.

Recommendation 4 If there is any possibility of securing additional funding, consideration should be given to the extension of SDF to English Areas of Outstanding Natural Beauty (AONBs), particularly in light of their higher profile subsequent to CRoW. Not all AONB are equipped to manage SDF however, and arguably some are too small for this to be appropriate. Three options need to be reviewed, by which an enhanced Fund might:

- ♦ be available in principle to all AONBs⁴ through a ‘bidding’ process to (or formula allocation from) a central pot, or via earmarked allocation to Regional Development Agencies.
- ♦ be extended to Conservation Board AONBs only (i.e. Sussex Downs, Cotswolds and Chilterns).
- ♦ be piloted in one or more area-based schemes involving collaboration between AONBs, or between National Parks and AONBs.

Recommendation 5 Collaboration between protected landscapes in SDF delivery should be in any case be encouraged particularly in regions where they form an important element of the landscape⁵ and/or collaboration is already good⁶ or where protected landscapes are contiguous⁷. This would facilitate coordination of policy, links with Regional Strategies, and targeted implementation and monitoring.

Recommendation 6 The broad principles of existing delivery arrangements should be retained, in particular project selection and local monitoring by an independent panel which also takes an active role in their implementation and a degree of responsibility for and ‘ownership’ of projects and their outcomes. NPAs should continue to reserve the right to ‘call in’ applications and projects in certain circumstances, but should remain at arms length from day-to-day operation of the fund.

⁴ This would involve an extension of coverage of the English countryside from approximately 10% to over 25% of the land surface.

⁵ e.g. the SE where 9 AONBs and 2 possible National Parks comprise some 25% of the land surface

⁶ as in the SW where 12 AONBs and 2 National Parks occupy some 38% of the land surface

⁷ for example Yorkshire Dales NP with N Pennines, Nidderdale and Forest of Bowland AONBs, which together straddle 3 English Regions

Recommendation 7 The role of NPAs and SDF panels in encouraging appropriate projects, promulgating best practice and disseminating the results should be emphasised. SDF teams need encouragement – and time – to develop their role as enablers and facilitators of sustainability. NPA members could in some parks take a more proactive role in encouraging appropriate projects.

Recommendation 8 The NPA should continue to provide the secretariat for the panel, through the employment of a dedicated SDF Officer. Park level overheads (costs of administration and delivery, including SDF Officer salary) could be allowed to rise from the present 10% to 15% of the fund, provided this results in increased capacity of the team to deliver high quality (and more small) projects and to promulgate project outcomes and disseminate the message of sustainability.

Recommendation 9 In future administration and monitoring of SDF the distinction between large and small projects should be around £5,000 (rather than the present £1,000). The maximum sum could be raised to £50,000. Requirements for match funding, particularly in respect of larger grants, could be clarified.

Recommendation 10 Consideration should be given to requiring rather stricter project selection and outcome criteria for larger projects, including the requirement that the proposal should not in principle be fundable from any other public source.

Recommendation 11 The principle that *“A high level of trust must be placed in the ability of applicants to carry forwards proposed projects”* should be retained.

Recommendation 12 The present objectives of the fund are entirely appropriate. Criteria for project selection and for evaluation of project outcomes should remain broad and flexible to be adapted to local circumstances. However a greater emphasis needs to be placed on innovation (technical and social) and on the learning processes identified in the prospectus. Projects should challenge assumptions, understanding, attitudes and behaviour. More emphasis could be placed on rural – urban links and upon the involvement in SDF projects of under-represented groups.

Recommendation 13 Innovation, flexibility and accessibility should continue to be the key features of SDF delivery. This would imply retaining the present low level of bureaucracy. The existence of SDF as a distinct funding pot, with the ability to take risks, and to be the first to commit, is of value in providing flexibility especially in small-scale grants.

Recommendation 14 Links between SDF and other funding streams (such as Leader+); in areas where these are well developed, and/or of the possibility of establishing single points of information and expertise, should be further explored.

Recommendation 15 Any review of SDF objectives beyond March 2005 might remove the criterion of furtherance of national park (or AONB) ‘purposes’ in favour of some general objectives of sustainability. This would be a useful precursor to generalising the principles or availability of SDF to the wider countryside.

Recommendation 16 Monitoring at Park level should best be done, as at present, by SDF teams themselves, reporting to local SDF panels. This enhances the learning process and deepens understanding of sustainability and its articulation in practice. An Annual Report to Defra should be required from each Park, based upon a revised Briefing Note [Framework for Monitoring and Evaluation] attached in draft as Appendix i) to the Main Report.

Recommendation 17 The delivery and outcomes of SDF within NPAs should continue to be subject to the scrutiny of an independent agency beyond March 2004. In particular review of programme outcomes and the quality and quantity of project applications needs to be monitored so that decisions can be made each year with respect to the three year rolling programme recommended above.

Recommendation 18 External monitoring should include a brief to facilitate information sharing and collaboration between SDF teams and NPAs in the delivery of the fund, the elaboration of objectives and the examination of outcomes.

Recommendation 19 Consideration should be given to the production, towards the end of 2004-2005, of an illustrated publication (also to be available on the Defra website) promoting the achievements and lessons of SDF in an attractive and accessible way.

Recommendation 20 Wider debate about the aims and achievements of SDF would be valuable. Future activities could include two national dissemination events, in 2004-5, one aimed at National Park (and other protected landscape) staffs, the other aimed at a wider audience of those concerned with sustainability issues.

11) Other documents

Other documents related to this summary evaluation of SDF are as follows:

- Research Note
- Main Report (48 pages plus appendices)
 - Appendix i. Draft Framework for monitoring and evaluation
 - Appendix ii. List of SDF projects to March 2004 by grant value
 - Appendix iii. Selected case studies
- SDF project descriptions 2002-2004

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