

External Funding Update
Report by Chief Executive,
Director of Operations and Head of Strategy and Projects

Summary: This report updates Members on the recent progress made in developing an approach to securing more funding and support from external sources.

Recommendations:

- (i) Approves the submission of the CANAPE bid with the Broads Authority as the lead partner, the commitment towards the matched funding and recognition that if successful this will divert some of the Authority's practical work towards the implementation of the Vision for Hickling Broad.
- (ii) Establishes a Member Working Group with the task of developing a draft medium term external funding strategy whose aim is to support the delivery of the Broads Authority's priority activities in the new Broads Plan.

1 Introduction

- 1.1 In July 2016 the Authority adopted the following set of priorities for external funding:

National Priorities

1. Continue to support the work of National Parks UK in raising the profile of the 15 National Parks.
2. Support National Park Partnerships in their ambitions with the corporate sector and be prepared to react quickly and professionally to opportunities that may present themselves.
3. Respond positively to a collaborative initiative regarding other fund raising opportunities.

Local Priorities

1. **Top priority is** to ensure the Stage 2 bid for 'Water, Mills and Marshes' Landscape Partnership is successful and implementation happens in full
2. **Second Priority is** to develop a strong and productive relationship with the Norfolk and Suffolk Broads Charitable Trust for mutual benefit. Define a way of working together and establish a programme of collaboration for the short and longer term

3. **Third Priority** is to use the review of the Broads Plan to identify the priorities for action by the Broads Authority over the coming five years to make the Broads better which will form the core of an external funding strategy.
 4. **Fourth Priority** is to continue to develop the potential European funding bid for Hickling – CANAPE - and to support Natural England/England Biodiversity Group’s Wet Grassland bid for EU Life and HLF funding.
 5. **Fifth Priority** is to complete the internship and produce a portfolio of information about potential supporters and ‘appeal information’ sharing this with the Norfolk and Suffolk Broads Charitable Trust to inform future collaborative activities.
- 1.2 There was also the suggestion that after submission of the HLF Landscape Partnership Scheme Stage 2 application in May 2017, there will be an opportunity to use the following six months to work up some additional significant project bids and an overall external funding strategy which would steer the Authority’s short and longer term options. This is likely to tie into ideas from National Park UK for a long term collaborative approach.
- 1.3 This report identifies the progress made against each of these priorities, takes on board the feedback from members at the recent Business Plan Workshop and the recent Internal Audit and proposes that a Member Working Group be established to work on the development of an external funding strategy to support the delivery of the new Broads Plan. A key decision is required on the submission of the CANAPE bid for European funding towards the implementation of the Hickling Vision.

2 Progress on National Priorities – National Park Partnerships

- 2.1 NPP has been following up on a number of leads across different commercial sectors. The key points from the attest briefing are:
- (i) NPP has been comparing two strong offers from companies to be the National Parks 'official outdoor apparel supplier' (or similar title), and expect to have news on latest developments in February.
 - (ii) Discussion is on-going with two major tourism companies around the possibilities of working with a partner in the holiday/rental sector. Discussions are continuing this month.
 - (iii) Talks with a major retailer of bicycles are continuing with a further meeting this month.
 - (iv) NPP together with NPUK is planning to make an application to the Heritage Lottery Fund for a 'Resilience' grant aimed at building central capacities to bring benefit to the National Park family. It is planned to submit a project enquiry form in January and to make a full application in March/April.

- 2.2 Members will be aware from a previous meeting that the National Parks Partnership helped introduce a discussion with one of the major food retailers. These discussions were successful and the Authority has received £41,667 which it will be using to boost its catchment activity with farmers. The funds for an initial period of two years will enable a dedicated adviser to share best practice and fund exemplar schemes to retain nutrients in the soil helping production costs and water quality.
- 2.3 In January 2015 the Authority approved an initial investment of £10,000 towards the development of National Parks Partnership and made provision in 2015/16 for the potential need for a second payment of £10,000. This second tranche of money will be paid this year to provide the Partnership with sufficient working capital.
- 2.4 National Park Authorities are increasingly working together on external funding bids. One example is an Expression of Interest for £1m which has just been submitted to Discover England Fund. A copy of the bid is included in Appendix 1 for Members information.

3 Top Local Priority - 'Water, Mills and Marshes' Landscape Partnership

- 3.1 Following the Stage 1 approval for Water, Mills and Marshes, the next key date is the submission of the Stage 2 bid in May 2017 which if successful will enable spending of the £4M+ from 2018.
- 3.2 The interim review meeting with Heritage Lottery Fund went very well and the monitoring officers are pleased with progress and supportive of the evolution of the suite of projects. A final draft submission summary will be available for members at their March meeting.

4 Second Priority - Norfolk and Suffolk Broads Charitable Trust

- 4.1 Following very positive discussions with the Trust a statement of intent outlining how the Authority will work with the Trust is ready for signing. This will seek to use the strengths of each organisation to the best advantage of the Broads. The Authority has provided some development funds to help the Trust grow its Visitor Giving Scheme and increase its grant income base. It has also supported the creation of an appeal leaflet to be distributed to boat owners with the next Broad Sheet.
- 4.2 The Norfolk and Suffolk Broads Trust is also one of around 15 small Trusts operating in the Broads who are joining a training initiative funded by the Broads Authority to help develop their Trusts' strategic fund raising planning and explore the opportunities for collaborative working. The initial training day will take place on 17 February 2017.

5 Third Priority – Developing a Strategy to Fund Implementation of the new Broads Plan

- 5.1 It is important that external funding applications and development aligns closely with the new medium term Broads Plan priorities and supports the delivery of annual strategic priorities. A useful discussion was had at the recent Members' workshop on business planning but there is a need for further consideration of the relationship with the Broads Plan.
- 5.2 By focussing on the medium term a funding strategy can take account of the level of existing commitment to work programmes and external funding and look ahead to when staff resources can be re-directed to new goals. A wide range of objectives will be placed in the Broads Plan (for the Authority and its partners) but not all of them will have the necessary resources identified. A working group's objectives would therefore be directed at the needs already identified (and evidenced) and consider how the right foundations can be established that would allow the best chance of developing appropriate external funding approaches. These can often take a number of years and allows the deployment of necessary resources as the processes solidify and become more likely.
- 5.3 The key lessons from the Tolls Review Group were recognition that continuity of attendance is important, a willingness to undertake work outside meetings and the time commitment can be considerable (in the case of the TRG it amounted to over 400 hours per person over a year). It is not envisaged that this member group would be as intense but it is important that members recognise the level of commitment required. It is suggested that the terms of reference for the working group would be on the following lines:

Title: External Funding Working Group

Task: the development of a medium term strategy for accessing external funding including commercial activity to support the implementation of Broads Plan 2017.

Timescale: Complete its work in time such that it can deliver a Draft Strategy for consideration by the Broads Authority in September 2017.

Membership: around five Members of the Broads Authority supported by appropriate officers. It is suggested that priority should be given to those members with experience in this area and that Members with an interest in joining the Group approach the Chair of the Authority with a view to her convening a first meeting in February.

6 Fourth Priority – CANAPE - European funding bid for Hickling

- 6.1 An Expression of Interest submitted by the Broads Authority and its European Partners has been approved for the CANAPE project. 'Creating a New Approach to Peatland Ecosystems' if successful and subject to various consenting procedures, will allow the Authority to further its delivery of the Hickling vision, by improving the littoral margins in Hickling broad, reusing

dredged material and improving habitats. An additional part of the project is to explore the potential for reuse of fen materials such as via composting or biofuels, which would assist the Authority in its fen management and create carbon benefits.

- 6.2 Following a workshop in London on 15-16 December at which the Broads Authority was confirmed as Lead Partner and the partnership was revised to include a Danish organisation, the next step is to submit a full application by the end of this month. Whilst this opportunity would bring significant funding to the Authority (the Broads Authority's element of the project currently stands at approximately €1.262 million of which €631,000 (50%) would be funded by Interreg, although detailed work is currently ongoing which may alter this figure slightly) it should be noted that there are also resource implications for other work.
- 6.3 Firstly, the match funding required for this project will require a continuation of the £60,000 budget per year for a further four years beyond 2017/18 (shared 50/50 National Park/Navigation). Secondly, the major part of the project is to build a new island and create protected water space from the indicative Vision Plan signed off by members previously. This will require a substantial commitment in the Construction Maintenance and Environment work programme both for the construction of the perimeter, and ongoing dredging to fill the island to required standards to achieve the habitat improvements. This is beneficial to the project in funding terms, as the staff time can be used as part of the match required, but it will also have consequences for the delivery of dredging work elsewhere in the system as time will have to be programmed in for this work which is not currently accounted for in the 5 year forward plan.
- 6.4 Following the withdrawal of the RSPB as the lead partner (as they could not guarantee finding their match funding given other projects they have going forward), the partnership has been investigating alternatives. Other partners do not feel they have the capacity and expertise to take on this role. Although bringing in a new partner as a lead has been explored, relevant bodies have either not been close enough in terms of desired outcomes or wanted too high a proportion of the overall budget to be realistic. This has led to the Authority discussing with officers of Norfolk County Council (who are providing the secretariat to another Interreg fund and so are developing strong internal expertise in this field) how they might be able to help. The County Council has been contracted to undertake the bid writing and could also tender for providing project management support should the bid be successful. (See section 10 for the risk analysis around this decision).
- 6.5 A decision on the application would be made in early summer 2017, with the first expenditure able to be made in January 2018. As with the PRISMA project, all claims are made in arrears. This creates a minor cash flow management issue. It is proposed that the Vessel and Equipment Reserve be used to fund the work initially, with claimed income used to replace the Reserve in full at the end of the project. The Navigation Committee was

consulted on the bid on 15th December and unanimously supported its submission.

- 6.6 The Natural England led national bid for funds to help wet grasslands has been through a number of iterations following the Brexit decision as a major element of the bid was to be European LIFE funding. The current view is that with the UK Government's commitment to honour live European Funding offers made before leaving the European Union, a national bid may again be worth developing. Preliminary thinking is that benefits in the Broads are likely to be directed at NGOs' sites and so the level of involvement from the Broads Authority is probably going to be relatively slight.

7 Fifth Priority – Developing a portfolio of information on potential supporters

- 7.1 Our 12 week intern completed a very useful review of potential grant making trusts, setting up a database that can be interrogated through key words. Examples were also created for a number of indicative projects to help officers get a feel for the potential and what would be needed in an application. Some initial work looking at potential business supporters was also completed.
- 7.2 This information will provide some of the content that is being shared with the smaller local charitable trusts in the training initiative. This may lead to collaborative work approaching regional businesses that would not feature in the work of the National Parks Partnership.

8 Other Progress

8.1 *Broads Reed and Sedge Cutters Association (BRASCA)*

The Authority's Landscape Partnership Project Officer worked with BRASCA to help it secure a £35k grant from The Prince's Countryside Trust to fund training and equipment and continue with the support to help the Members of the Association meet their aim of being a stable, effective and financially sustainable Association providing useful support to all their members.

8.2 *Commercial opportunities*

Following the success of introducing sales of ice creams at Authority visitor centres, there is a desire to consider whether any other commercial income can be established. With limited land and property the opportunities are not obvious but following the successful establishment of an electric boat hire business by the Lake District NPA the Broads Authority may explore a similar opportunity.

9 Internal Audit Report

- 9.1 In December an Assurance Review of External Funding, and in particular the Broads Landscape Partnership Scheme and National Parks Partnership was carried out. A copy of the report is included in Appendix 3. The objective of the audit was to review the systems and controls in place within External Funding. The Authority was given a "Reasonable Assurance" that the systems

and controls are operating adequately, effectively and efficiently. Members will see that the audit made a number of helpful suggestions which have all been acted upon.

10 Risk Analysis

- 10.1 The report in July last year identified potential reputational and operational risks associated with external funding which have been incorporated into the following risk analysis in Appendix 4.

11 Conclusion

- 11.1 Looking at the priorities set in July 2016 the Authority has made good progress against its top two priorities, the HLF Mills and Marshes Project and in developing a closer relationship with the Broads Charitable Trust. It has also had notable successes on other fronts including the first commercial sponsorship from the National Park Partnerships initiative, the Expression of Interest for CANAPE and helping secure £35,000 for BRASCA. The proposed next step is a medium term strategy to help deliver the Broads Plan.

Background papers: None

Author: John Packman, Trudi Wakelin and Simon Hooton
Date of report: 30 December 2016

Broads Plan Objectives: None

Appendices: APPENDIX 1 – National Park Expression of Interest
APPENDIX 2 – Hickling Vision Indicative Map
APPENDIX 3 - Internal Audit Report
APPENDIX 4 - Risk Analysis

VISIT ENGLAND: DISCOVER ENGLAND FUND – Two Year Project (Expression of Interest)

Working title: Make great memories in England's National Parks and Countryside

Product theme / geographical coverage: From the north east to the south west of England our National Parks already host a fifth of all rural tourism spend in England. All ten National Parks aim to simplify the ability for international visitors to research, book and immerse themselves in inspiring and authentic countryside experiences.

Summary:

National Parks are the most iconic, awe-inspiring landscapes of the English countryside. Internationally unique, people have lived in these landscapes for centuries creating distinct cultures, traditions and food, rich archaeology, nature and space to experience the tranquillity and wildness of England's countryside. Unlike many National Parks across the world, our parks are free to enter and are relatively accessible from town and city destinations. Our project will showcase the authentic local welcome to England's countryside by delivering:

- An online portal for bookable experiences in England's National Parks and their influence areas; integrating guided experiences with high quality accommodation, locally distinctive food & drink and transport.
- Identify and enhance existing guided experiences in the Parks delivered by the private sector, ensuring it is easily bookable online by independents and through the travel trade.
- Create new bookable guided experiences in each park led by National Park Rangers and volunteers, maximising the value of international Ranger brand and utilising the people who keep the Parks special as authentic ambassadors for our places.
- Local ambassador training to improve the welcome for international visitors in our communities. Sense of place marketing toolkits which focus on international audiences and improve provision of multi-lingual resources for visitors.
- Awareness-raising activity in international markets. Working with VisitBritain and DMOs to engage with the travel trade and a global technology partner to create a virtual experience which generates wider global awareness.

Project rationale:

Creating focus

We aim to make it easier for Outdoor Enthusiasts, Cultural Adventurers and Mature Experience Seekers to soak up the culture, local heritage and landscape of our National Parks. The project primarily falls into the categories of 'Scenery and Rural Life' and 'Outdoor Leisure'; we also expect to generate some additional interest in 'Action & Challenge'. The market opportunity guidance shows a high level of interest and spend from these segments and activities, we have mapped this in **Annex 1**.

Research from the Cool Project (which involved the Broads and Exmoor National Parks), discussions with commercial partners and our identified segments in the market opportunity guidance have shown us that visitors from Germany and Benelux countries seek such authentic experiences, such as: walking, cycling, immersing themselves and learning about the heritage and countryside as free independent travellers. We anticipate this will be our primary audience.

Maximising impact

We will respond to low visitor awareness and tackle the fragmented nature of the offer of these experiences to join up across our Parks. Among the English National Park family, international awareness varies, we will use familiarity with our most popular locations (e.g. the Lake District National Park) to cross-promote other parks and encourage multi-park itineraries.

Visitors will be able to take virtual journeys through our Parks, be signposted to the best bookable activities, creating new experiences with our guides and local experts. We will simplify the booking process and link this with quality local accommodation, food and drink and transport to get to and around the Parks.

We will make it easier for visitors to purchase experiences within National Parks. Our National Parks are well served for self-guided activities (online and paper guides/maps for walks, bike rides, local heritage), but our guided-experience offer is weaker than our international competitors. Local guides can be found in our National Parks, but they are generally micro-businesses with limited availability and can be challenging to book with online. We will work with existing providers to enhance their product offering and boost capacity.

Simplification



We will create a portal on the [National Park UK website](#), with links to DMO and National Park websites, that allows visitors to go on a 'journey' that

- *inspires them with images and video of the stunning and varied landscapes that offer real and personal experiences
- *enables a virtual exploration of the National Parks to get an understanding of the quality of the landscape, the experiences on offer and to showcase their unique selling points, compared to European National Parks, as living landscapes
- *enables people to book coherent and developed experiences in advance

Experience Enhancement



*Working with the DMOs, local providers and people to develop a wide range of 'unique local' experiences. These will include enriching activities such as using specialist staff and volunteers for Ranger-led activities, local wildlife walks, farm walks, local cookery courses and camping experiences, alongside our more established walking/cycling and outdoor activity experiences. We will also amplify the profile of more unique and surprising experiences international visitors may not expect to find in England, for example, whale-watching near North York Moors, dark sky experiences in Northumberland, Via Ferrata in the Lake District and vineyard tours in the South Downs.

*The value and appeal will be that visitors are meeting people who care deeply for the places they live and work in and experience aspects of rural life in the English countryside not otherwise experienced.

*Providers and those associated with ensuring a positive and warm welcome will undergo Ambassador training, equipping them to help bring the landscapes of our National Parks to life with informal but relevant and stimulating information.

Achievement/Connection



*The target markets identified will leave with the positive associations of a special welcome and a unique and memorable experience which leaves them feeling more engaged in the destination (feeling like a local!) and positive about England and its varied and unique experiences. This will be enhanced through further marketing of English National Parks sense of place and their distinctiveness.

*These they will then share through easy-to-book repeat visits, wanting to visit other English National Parks on their next trip and sharing their experiences via social media or directly with family and friends.

Creating scale

As hero products for England's countryside, National Parks showcase our best countryside and stimulate innovation in rural regeneration. Sharing how we develop distinctive and exceptional visitor experiences with our host communities will inspire other destinations to develop their own opportunities and attract increased rates of return visits to the English countryside. We will explore the opportunity to develop complimentary marketing to the long-haul market with Marketing Peak District and Derbyshire as they develop their Great Walking Trails of England project.

New visitors attracted will experience the breadth and diversity of the English countryside and we would aim to capitalise on this through repeat visits to other rural destinations such as AONBs.

Key National Park partners:

- All ten of England's National Park Authorities: Northumberland, Lake District, Peak District, Yorkshire Dales, North York Moors, The Broads, New Forest, South Downs, Dartmoor, Exmoor.
- National Parks UK – Communications organisation for the UK National Parks brand and guardians of the nationalparks.gov.uk website and social media channels.
- National Parks England – Representative body for the ten National Parks in England, providing an effective voice for all ten of England's National Parks to Government.
- National Parks Partnerships LLP – company owned by all 15 of the UKs National Parks to develop successful partnerships with the private sector.

Commercial Partners:

The National Park family has recently created a new organisation called [National Park Partnerships](#), to help us develop successful commercial partnerships with the private sector. NPP will support the development of high-value partnerships for the project if we are successful in the EOI. By way of example, NPP is close to a partnership with a global partner, who could provide significant international promotion activity for the English National Park family. In addition, the Wyndham Group (owners of Hoseasons and Cottages.com) support this project. The Wyndham group has a significant amount of quality-assessed self-catering accommodation product within all ten of the National Parks. Hoseasons and sister brand Landal Green Parks (establishing on the edge of two of England's National Parks in 2017) have strong appeal to our target audiences in the Benelux

countries and Germany. We appreciate any distribution partner is likely to be subject to procurement.

We would like to work with a high-profile global technology provider to develop virtual experiences of England's National Parks to inspire and attract. The US National Park Service benefitted from significant global exposure by Google in 2016, through [The Hidden Worlds of the National Parks](#). The English National Park family has established contacts within Google from the development of [Google Trekker routes across some National Parks and will look to](#) develop this further.

The National Park family [works closely with Ordnance Survey](#) (OS); as Britain's national mapping agency, they produce quintessentially English mapping of the England's Countryside and have recently developed premium National Park features within their app, [OS Maps](#). OS support our project which will meet with their aims to make England's countryside more enjoyable, accessible and safe. If successful we will work with OS to make England's countryside easier to navigate by international visitors (with use of their digital API), by integrating their digital navigation products into the booking system and making their products more user-friendly for international visitors to England.

Destination Management Organisations:

Initial support has been secured from most of our DMOs within the time available. We see DMOs as providing a vital link to tourism businesses, and we hope to develop opportunities to integrate existing DMO product databases into any new booking systems to connect the National Park experience to high quality accommodation, and the distinctive local food & drink offer. We have secured initial support from DMOs below highlighted in bold. Approaches to remaining DMOs will be undertaken in stage two.

Northumberland	<i>Northumberland Tourism Ltd</i>
Lake District	<i>Cumbria Tourism</i>
Peak District	<i>Visit Peak District and Derbyshire</i>
Yorkshire Dales	<i>Welcome to Yorkshire, Cumbria Tourism</i>
North York Moors	<i>Visit York, Welcome to Yorkshire</i>
The Broads	<i>Broads Tourism</i>
New Forest	<i>New Forest Destination Partnership, Tourism South East, Visit Hampshire</i>
South Downs	<i>Tourism South East, Visit Chichester, Visit Sussex, Visit Hampshire, Visit Winchester, Sussex-by-Sea, Visit Worthing, Visit Brighton, Visit Eastbourne</i>
Dartmoor	<i>Visit Dartmoor (ATP)</i>
Exmoor	<i>Exmoor Tourism, Visit Somerset, North Devon Marketing Board</i>

LEPs:

We will work with Local Enterprise Partnerships so our our Stage Two bid complements their Strategic Economic Plans and complements other investments they are making in the visitor economy. Engagement to date with LEPs around this project has been limited; however, all ten National Park Authorities have strong relationships with their LEPs and we are confident that we can engage with all relevant LEPs in Stage Two. For example D2N2 is a good advocate of promoting the visitor economy.

Northumberland	<i>North East LEP</i>
Lake District	<i>Cumbria LEP</i>
Peak District	<i>D2N2 LEP, Sheffield City Region LEP and StokesStaffs LEP plus others</i>
Yorkshire Dales	<i>York, North Yorkshire and East Riding LEP, Cumbria LEP, Leeds City Region LEP</i>

North York Moors	<i>York, North Yorkshire and East Riding Enterprise Partnership</i>
The Broads	<i>New Anglia LEP</i>
New Forest	<i>Enterprise M3 LEP</i>
South Downs	<i>Enterprise M3, Coast to Capital, South East LEP</i>
Dartmoor	<i>Heart of the South West LEP</i>
Exmoor	<i>Heart of the South West LEP</i>

Delivery Structure:

- One National Park Authority will be the lead organisation for the programme, this will be agreed if the EOI be successful but is likely to be the Peak District National Park Authority, and will recruit and employ the staff, which will be hosted in regional hubs.

Proposed governance:

- Programme Board (comprising two representatives from the three Regional Boards and VisitEngland/VisitBritain)
- Three Regional Boards (comprising England’s National Park Authorities, DMOs, Local Wildlife Trusts, Local Tourism associations) i.e.
 - Northern Regional Board: Northumberland, North York Moors, Lake District, Yorkshire Dales, Peak District
 - South East Regional Board: Broads Authority, South Downs, New Forest
 - South West Regional Board: Dartmoor, Exmoor

National Parks England Main Contacts:

Sarah Fowler, Chief Executive – Peak District National Park Authority

E: Sarah.Fowler@peakdistrict.gov.uk

Dan James, Sustainable Economy Manager – Exmoor National Park Authority

E: dtjames@exmoor-nationalpark.gov.uk

Duncan Wise, Visitor Development & Marketing Manager – Northumberland National Park Authority

E: duncan.wise@nnpa.org.uk

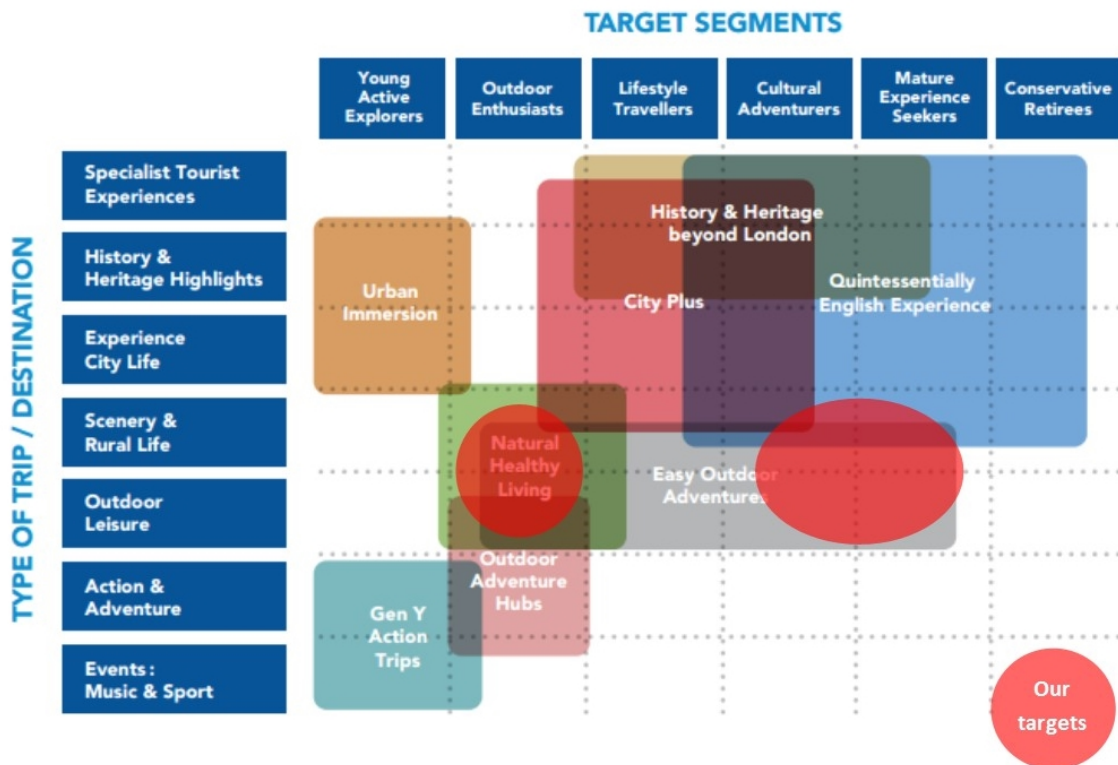
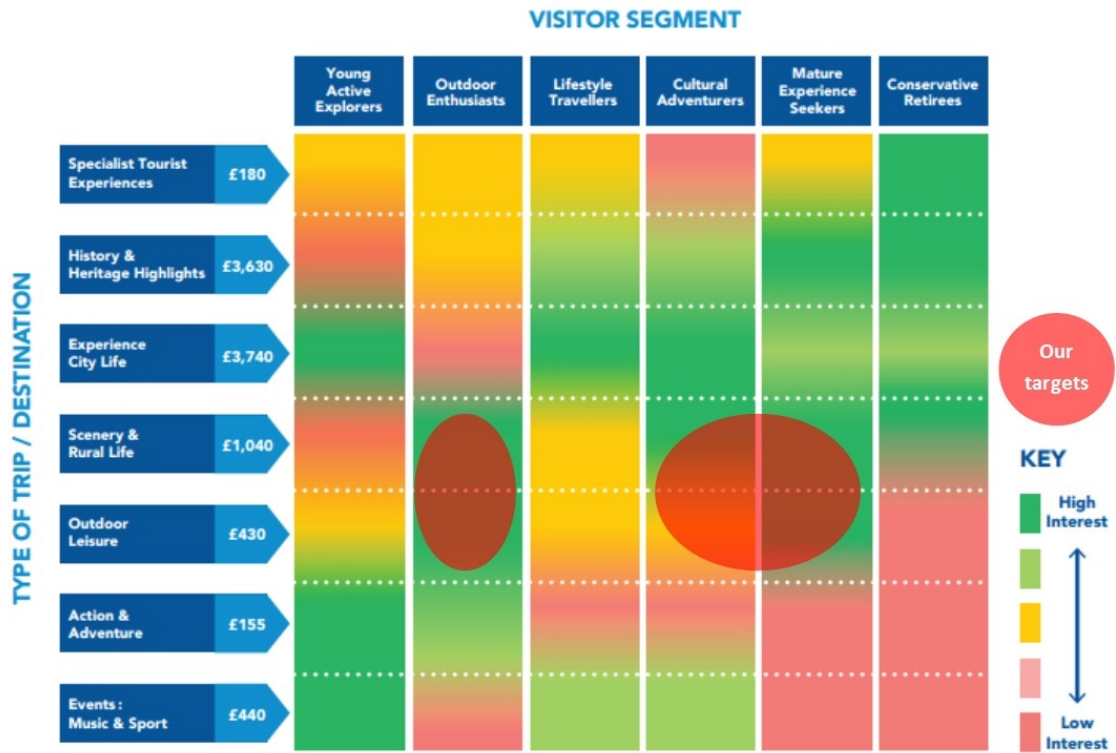
Mark Holroyd, Transport, Access & Sustainable Tourism Manager – New Forest National Park Authority

E: Mark.Holroyd@newforestnpa.gov.uk

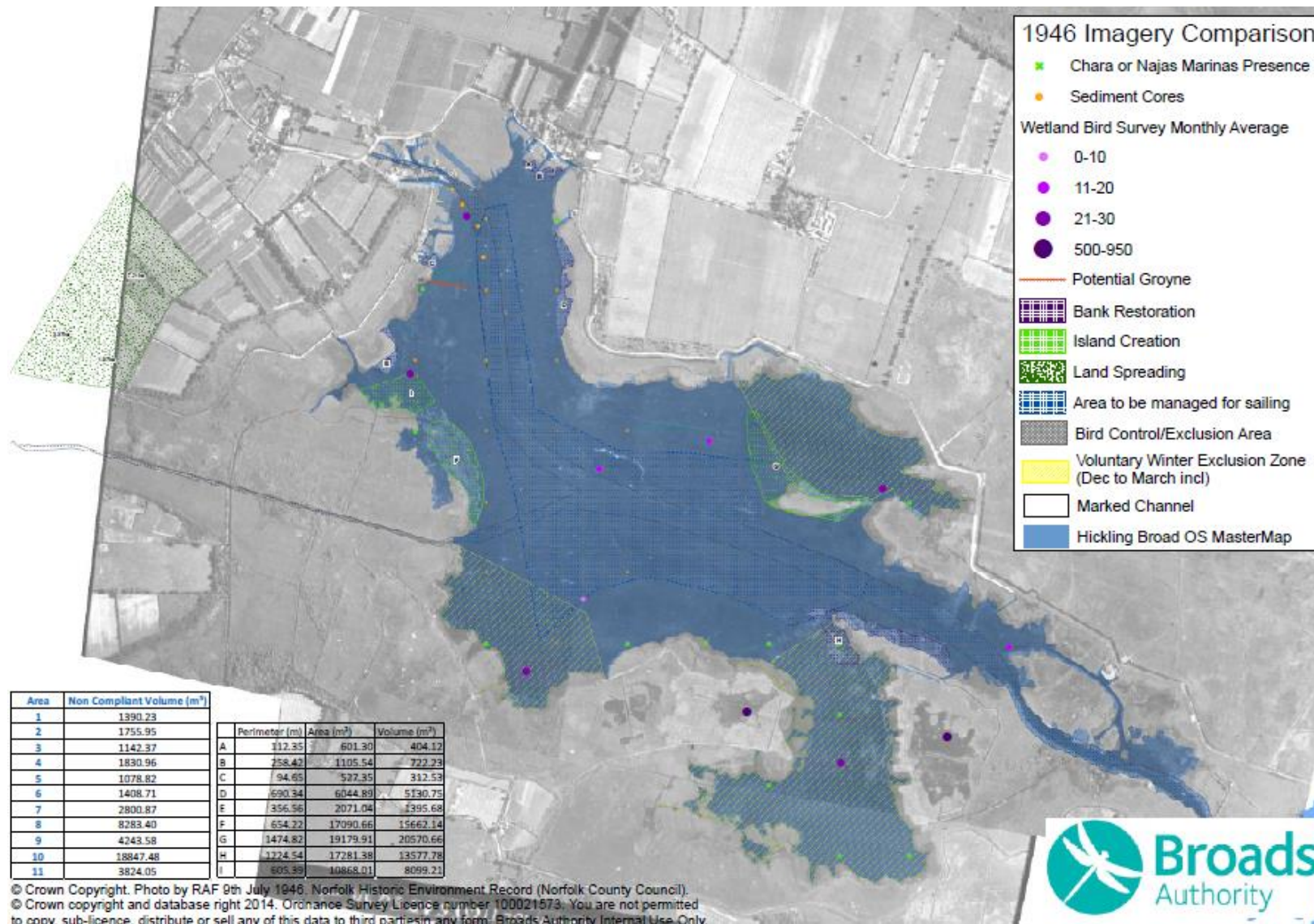
Catriona McLees, Head of Promotion and Tourism – North York Moors National Park Authority

E: c.mclees@northyorkmoors.org.uk

Annex 1 – Our target segments



Hickling Vision indicative plan





Broads Authority

Assurance Review of External Funding – Broads Landscape Partnership and National Parks Partnership

2016/17 (BA/17/01)

FINAL

December 2016

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Assurance Review of External Funding – Broads Landscape Partnership and National Parks Partnership

Executive Summary

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Broads Landscape Partnership	0	2	1	0
National Parks Partnership	0	1	1	0
Total	0	3	2	0

SCOPE

The objective of the audit was to review the systems and controls in place within External Funding, as detailed in the action points above, to help confirm that these are operating adequately, effectively and efficiently.

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Reasonable' in managing the risks associated with the Broads Landscape Partnership and National Parks Partnership Audit. The assurance opinion has been derived as a result of three 'important' recommendations and two 'needs attention' recommendations being raised upon the conclusion of our work.

KEY FINDINGS

Positive Findings

We found that the Broads Authority has demonstrated the following points of good practice:

- The National Parks Partnership has been set up as a limited liability partnership (LLP), which is a joint venture made up of 15 national parks, including the Broads Authority, for the purpose of engaging with the private sector and gaining commercial sponsorship. This has already resulted in joint working between Tesco and the Broads Authority about potential funding, therefore meeting the Government's drive for the Broads Authority to find new sources of funding for their work.
- An online project management tool called Basecamp is used by the Broads Authority to assist in the project management of the Broads Landscape Partnership. This tool provides a central place to manage projects and includes message boards and comment threads; real-time chat/pings; automatic check-ins; to-do lists; document / file storage and; a centralized schedule.

It is acknowledged there are areas where sound controls are in place and operating consistently:

- Grant conditions for the Heritage Lottery Fund (HLF) Bid (Broads Landscape Partnership) are being met in a timely manner.
- There is a clear governance framework in place for the Broads Landscape Partnership and the Broads Authority is a key member/part of this.
- Clear deliverable/outcomes are in place for the Broads Landscape Partnership, with progress reports presented to the Board each time it meets.
- The Broads Landscape Partnership is project managed using an on line project management tool, which includes a project plan with key dates and budget information involving cash flow/expenditure against budget.

Issues to be addressed

The audit has highlighted the following areas whereby controls would benefit from being strengthened, and as a result of these findings three 'important' recommendations have been made.

Broads Landscape Partnership

- To develop procedural guidance for the Broads Landscape Partnership, thereby mitigating the risks of inconsistent practices occurring, inefficient and ineffective processes being applied and disrupted business continuity.
- The risk register and risk management strategy to be reported to the Broads Landscape Partnership Board as a standing agenda item. This should help reduce the risk that the Broads Landscape Partnership objectives are not achieved.

National Parks Partnership

- The Broads Authority to request that the following items are raised at the National Parks Partnership Management Board: 1) Production of a risk assessment/register; 2) Declarations of interest to be added as a standing agenda item and; 3) The agreement and documentation of standards of conduct for Management Board members. This mitigates the risks that the National Parks Partnership aims are not achieved and there is non-disclosure of interests.

The audit has also highlighted the following areas where two 'needs attention' recommendations have been made.

Broads Landscape Partnership

- To obtain signed copies of the Broads Landscape Partnership Project Board agreement from Easton & Otley College, Farm Conservation and River Waveney Trust, to help mitigate the risk that some partners do not deliver the scheme as intended.

National Parks Partnership

- To consider including the National Parks Partnership and Water Sensitive Farming Project with Tesco as separate risks within the next formal review of the Strategic Risk Register by the Management Forum. This would help highlight and subsequently reduce the key risks involved in these projects where, for example, there is significant potential for reputational risk.

Report Findings and Management Action Plan

INTRODUCTION

1. This review was carried out in October 2016 as part of the planned internal audit work for 2016/17. Based on the work carried out an overall assessment of the overall adequacy of the arrangements to mitigate the key control risk areas is provided in the Executive Summary.

KEY FINDINGS & ACTION POINTS

2. The key control and operational practice findings that need to be addressed in order to strengthen the control environment are set out in the Management and Operational Effectiveness Action Plans. Recommendations for improvements should be assessed for their full impact before they are implemented.

SCOPE

3. The objective of the audit is to review the systems and controls in place to help confirm that these are operating adequately, effectively and efficiently. The audit covered the business plan, governance arrangements, financial planning and monitoring.

MATERIALITY

4. The Broads Landscape Partnership has received an earmarked grant of £2,437,500 from the Heritage Lottery Fund (HLF) through its Landscape Partnership (LP) programme for the Water, Mills and Marshes project. Development funding of £226,000 has also been awarded to help the partnership progress its plans to apply for the full grant for the delivery phase which is envisaged to run from January 2018 to June 2022.

The National Parks Partnership has been set up as a limited liability partnership (LLP) endorsed by the Broads Authority on 22 January 2016. This is a joint venture made up of 15 national parks, including the Broads Authority, for the purpose of engaging with the private sector and gaining commercial sponsorship.

Management Action Plan

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<u>Broads Landscape Partnership</u> - There are no documented procedures in place for the Broads Landscape Partnership.	<p>Recommendation 1 - To develop procedural guidance for the Broads Landscape Partnership. This procedure should cover the administrative processes, including project management, governance, systems used such as base camp, and the staff involved.</p> <p>The procedures should be version controlled.</p> <p>Rationale & risk: The compilation of such procedural guidance would enable a consistent approach to be applied with the day to day management of the service. Procedures can also be used as a training tool and to highlight process improvements and efficiencies. This will help to mitigate the risks of inconsistent practices occurring, inefficient and</p>	2	<i>Agreed. Procedural guidelines will be produced in draft by the end of January to be presented to the next Board meeting (March) for approval.</i>	31/01/17	<i>Broads Landscape Partnership Programme Manager</i>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
			ineffective processes being applied and disrupted business continuity.				
2	Compliance	<u>Broads Landscape Partnership</u> - Whilst risks to the Broads Landscape Partnership have been identified and reported to the Heritage Lottery Fund, no formal reporting of risks to the Board has taken place. The Broads Landscape Partnership Programme Manager has confirmed that as a result of the completed Project Initiation Documents, an overall risk register and risk management strategy has been produced, which will be reported to the Board.	<p>Recommendation 2 - The risk register and risk management strategy to be reported to the Broads Landscape Partnership Board.</p> <p>Risks to be prioritised based on likelihood and impact, with associated mitigation plans, implementation dates, and responsible owners. It should also be highlighted if the risk is outside of the Partnerships risk tolerance/appetite. Risks to be added as a standing agenda item to the Board.</p> <p>Rationale & risk: Without effective reporting and escalation of key risks, consultations on risks is limited and related controls required to effectively mitigate them are not put in place, thereby increasing the overall risk of the</p>	2	<i>Agreed and completed. Risk register is now a standing item on the agenda for all Board meetings.</i>	<i>Completed</i>	<i>Broads Landscape Partnership Programme Manager</i>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
			Broads Landscape Partnership objectives not being achieved.				
3	Compliance	<p><u>National Parks Partnership</u> - Currently, the National Parks Partnership does not undertake an assessment of risks. Declarations of interest are also not formally recorded.</p> <p>The Partnership Policy, which forms part of the National Parks Business Plan, has the following objective:</p> <ul style="list-style-type: none"> Apply good practice in National Parks Partnership's involvement in Partnership activity to maximise the benefits and minimise the risks of sponsorship activity to National Parks Partnership and National Parks. <p>The National Parks Business Plan also refers to the financial risks and the monitoring of the associated cash flow and a risk assessment would be a robust method to monitor all risks, including financial, and subsequent reporting to the Board.</p>	<p>Recommendation 3 - The Broads Authority to request that the following items are raised at the National Parks Partnership Management Board:</p> <ul style="list-style-type: none"> Production of a risk assessment/register, where risks are clearly identified in relation to the aims of the National Parks Partnership. Mitigation plans to be put in place where necessary and reporting of risks to the Board on a regular basis. Declarations of interest to be added as a standing agenda item at the National Parks Partnership Management Board meetings. The agreement and documentation of standards of conduct for Management Board members. 	2	Agreed	31/12/2016	Chief Executive

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
		The Limited Liability Partnership Agreement details the governance for the National Parks Partnership in terms of the management board membership, role and responsibilities, decision making and quorum arrangements. These constitute the main elements of typical terms of reference with the exception of standards of conduct.	Rationale & risk: Identification of key risks is an important element of good corporate governance and mitigates the risks to the achievement of the National Parks Partnership aims. Without assessment of key risks, these could go unnoticed and subsequently not be mitigated appropriately, thereby resulting in the overall aims of the National Parks Partnership not being achieved. Declarations of interests and standards of conduct contribute to good business ethics, reducing the risks that there are undisclosed conflicts of interests and detrimental behaviour.				
4	Compliance	<u>Broads Landscape Partnership</u> - The Broads Landscape Partnership Project Board agreement has been signed by all partners with the exception of Easton & Otley College, Farm	Recommendation 4 - To obtain signed copies of the Broads Landscape Partnership Project Board agreement from Easton & Otley College, Farm Conservation	3	<i>Agreed and completed. All outstanding partnership agreements have now been received.</i>	<i>Completed</i>	<i>Broads Landscape Partnership Programme Manager</i>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
		Conservation and River Waveney Trust.	and River Waveney Trust . Rationale & risk: The partnership agreement signifies an intent to collaborate and to establish a framework of partnership working within which the Broads Landscape Partnership scheme can be successfully developed and delivered. All partners signing up to this agreement mitigate the risk that some partners do not deliver the scheme as intended and not in line with the agreed aims and objectives.				

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Compliance	<p><u>National Parks Partnership</u> - The Strategic Risk Register contains a general risk in relation to partnerships entitled - 'Engagement with Key Partners/Stakeholders', although there is no specific reference to the National Parks Partnership or the Water Sensitive Farming Project with Tesco.</p> <p>In addition, the risks identified within the National Park Partnerships Report (Broads Authority 22 January 2016 Agenda Item No 17) have not been scored nor stated whether they are within the BA risk tolerance/appetite.</p>	<p>Recommendation 5 - To consider including the National Parks Partnership and Water Sensitive Farming Project with Tesco, as separate risks within the next Formal review of the Strategic Risk Register by the Broads Authority Management Forum.</p> <p>The risks reported within the National Park Partnerships Report (Broads Authority 22 January 2016 Agenda Item No 17) to be scored and compared to the risk appetite to contribute to the above consideration.</p> <p>Rationale & Risk: The National Parks Partnership and Water Sensitive Farming Project with Tesco are new initiatives for the Broads Authority, involving working with a multitude of organisations including private companies, acknowledging this on the strategic risk level would help mitigate the key risks involved such as reputation.</p>	3	Agreed	31/03/16	Chief Executive

Operational Effectiveness Matters

Ref	Risk Area	Item	Management Comments
No Operational Effectiveness Matters have been raised.			

APPENDIX 1 - DEFINITIONS

RISK AREA ASSURANCE ASSESSMENTS

5. The definitions of the assurance assessments are:

Substantial Assurance	Based upon the issues identified there is a robust series of suitably designed internal controls in place upon which the organisation relies to manage the risks to the continuous and effective achievement of the objectives of the process, and which at the time of our review were being consistently applied.
Reasonable Assurance	Based upon the issues identified there is a series of internal controls in place, however these could be strengthened to facilitate the organisation's management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.
Limited Assurance	Based upon the issues identified the controls in place are insufficient to ensure that organisation can rely upon them to manage the risks to the continuous and effective achievement of the objectives of the process. Significant improvements are required to improve the adequacy and effectiveness of the controls to mitigate these risks.
No Assurance	Based upon the issues identified there is a fundamental breakdown or absence of core internal controls such that the organisation cannot rely upon them to manage risk to the continuous and effective achievement of the objectives of the process. Immediate action is required to improve the controls required to mitigate these risks.

6. The definitions of the priority gradings are:

1	URGENT	Fundamental control issue on which action to implement should be taken within 1 month.	2	IMPORTANT	Control issue on which action to implement should be taken within 3 months.	3	NEEDS ATTENTION	Control issue on which action to implement should be taken within 6 months.
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Operational Effectiveness Matters need to be considered as part of management review of procedures, rather than on a one-by-one basis

APPENDIX 2 - AUDIT TIMETABLE

7. The table below sets out the history of this report.

	Expected Date:	Actual Date:
Start of Fieldwork:	4th October 2016	4th October 2016
Debrief Meeting:	12th October 2016	3rd November 2016*
End of Fieldwork:	13th October 2016	2nd November 2016*
Draft Report Issued:	1st November 2016	13th December 2016**
Exit Meeting:	8th November 2016	N/A
Final Report Issued:	9th November 2016	15th December 2016

* re-arranged debrief due to Broads Authority staff absence and delay in receiving supporting documentation.

**Delay due to management review process (management sickness)

APPENDIX 3 - ACKNOWLEDGEMENT

8. We would like to thank staff at the Broads Authority for their co-operation and assistance during the course of our work, in particular:
- John Packman, Chief Executive
 - Will Burchall, Broads Landscape Partnership Programme Manager
 - Esmerelda Guds, Administrative Officer (Governance)

APPENDIX 4 - DISCLAIMER

9. The matters raised in this report are only those that came to the attention of the auditor during the course of the internal audit review and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

APPENDIX 4

Description of Risk Vulnerability: Risks associated with major external funding programmes (HLF, EU, Commercial Sponsorship)									
No.	Risk Owner/Assessor: Director of Planning Resources (HLF Landscape Partnership and Commercial Sponsorship); Director of Operations (EU – CANAPE)					Assessment Date: January 2017			
Review Date: January 2018									
Specific Hazards Describe the vulnerability & Impact	Initial Risk			Controls / Safeguards / Precautions	Mitigated Risk			Additional Actions Required	Timescale
	S	P	R		S	P	R		
Failure to deliver the project on time and within budget leading to potential repayment of funding and adverse publicity – HLF, CANAPE and commercial partnerships	2	2	4	Effective Project Management and financial controls Regular reports to the Broads Authority Regular reports to HLF and LPS Board Clearly documented processes in place (See audit report)	2	1	2		On-going
Increased exposure to risk as Lead Partner for European project - CANAPE	3	2	6	Effective control over bid writing to ensure bid is realistic and accurately costed by using expertise from Norfolk County Council Provision of dedicated resource to monitor progress not only of own project but of partners. Partnership agreement/ contract required to set out responsibilities and commitments of each partner to secure position	2	1	2	Procurement of ongoing consultancy support for Lead Partner project management to be undertaken if project successful	July 2017
Currency fluctuations between grant claim submission and payment for	3	3	9	Difficult to mitigate due to Local Authorities not being able to hedge	3	2	6		January 2018

CANAPE				Take precautionary approach to estimates of income in £					onwards if bid successful
Failure to meet expectations of partners – both commercial, EU and UK	2	2	4	Clarity in the bid documents for HLF and CANAPE and in the contract with commercial partners Investment in programme manager for HLF, external support for CANAPE delivery. Investment in time and resources in the development of the project(s) and during implementation to ensure there is a good understanding of the project aims and objectives. Ensure that relationships with partners and funders remain strong and respond rapidly to any misunderstandings.	2	1	2		On-going

S= Severity
P= Probability
R=Risk

R=SxP