

# The Stour Valley Park Business Case and Governance Document

Prepared for The Stour Valley Park Partnership

March 2022  
Revision B



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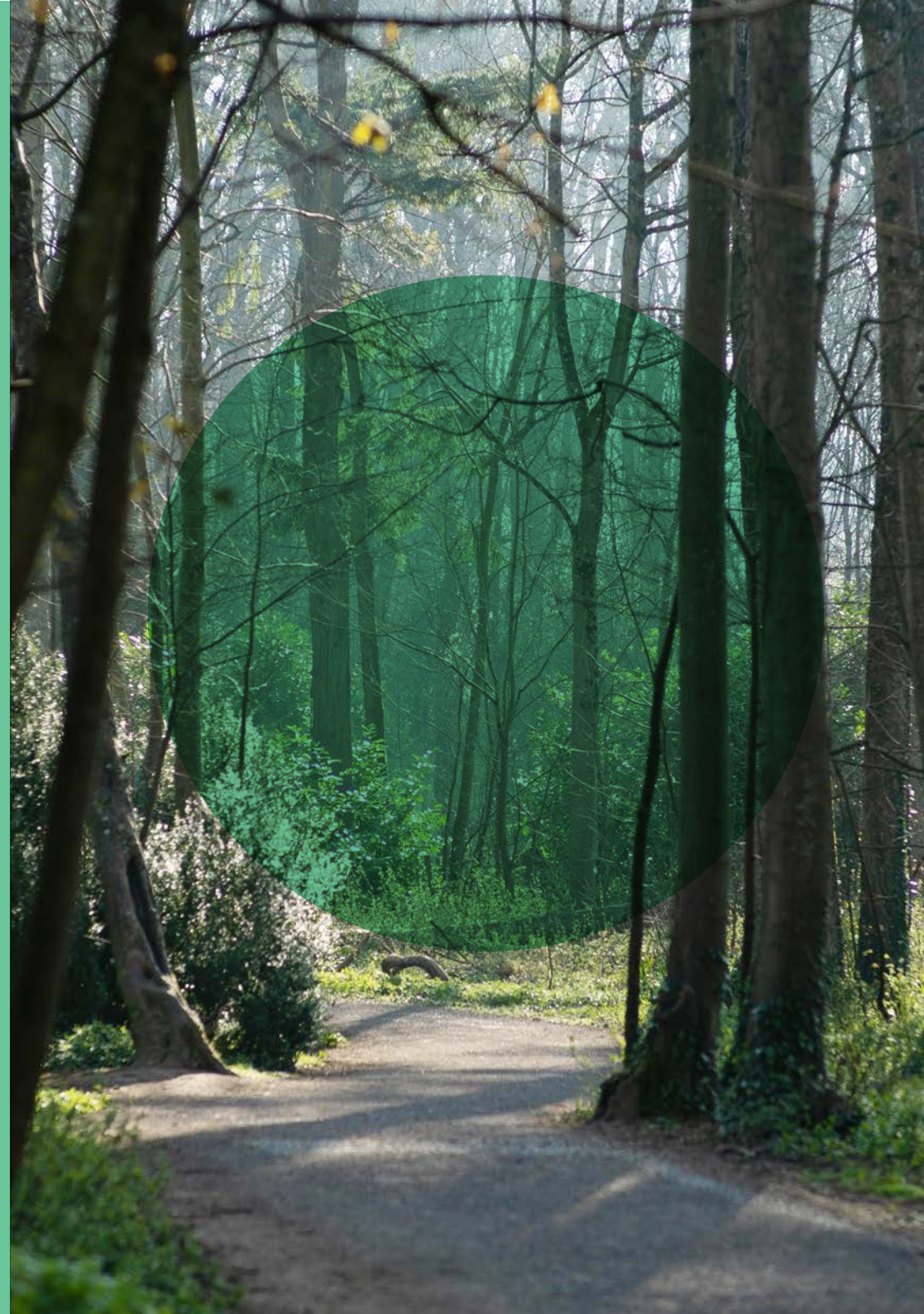
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## 1. Introduction

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The purpose of this document is to:

1. Set out and illustrate the current mechanisms and financing opportunities that exist locally and nationally which may be leveraged to deliver the Stour Valley Park.
2. Inspire local government commitment to the project on the basis that this project has the capacity to be a national exemplar.
3. Provide the basis for an implementation plan and set of actions.
4. Set out an overview of ownership, governance and management considerations to inform future discussions.



## 1.1 Introduction - Business Case

The Stour Valley Park presents a unique opportunity to work on a landscape scale green infrastructure project. In order for the vision and ambition of the park to be realised appropriate and significant financing will be required.

Furthermore, the right financing options can provide the means to enable a revenue-based model for the park to emerge and sustain its operation and management into the future.

The timing for a project such as the Stour Valley Park is now. Favourable policy context and the emerging field of private and community investment into landscape and ecological function presents an ideal moment.

Nationwide, Local Authorities have been subject to a decade of austerity measures and budget cuts. Furthermore COVID 19 has put pressure on finances and threatens further cuts.<sup>1</sup>

This context emphasises great need for innovative use of public assets and land to leverage finance to deliver this project.

Finance provides these key services:

- Bridge the time gap between funding needs and revenue streams
- Investment against future cash flows
- Transfer risk and reward between investors through different structures

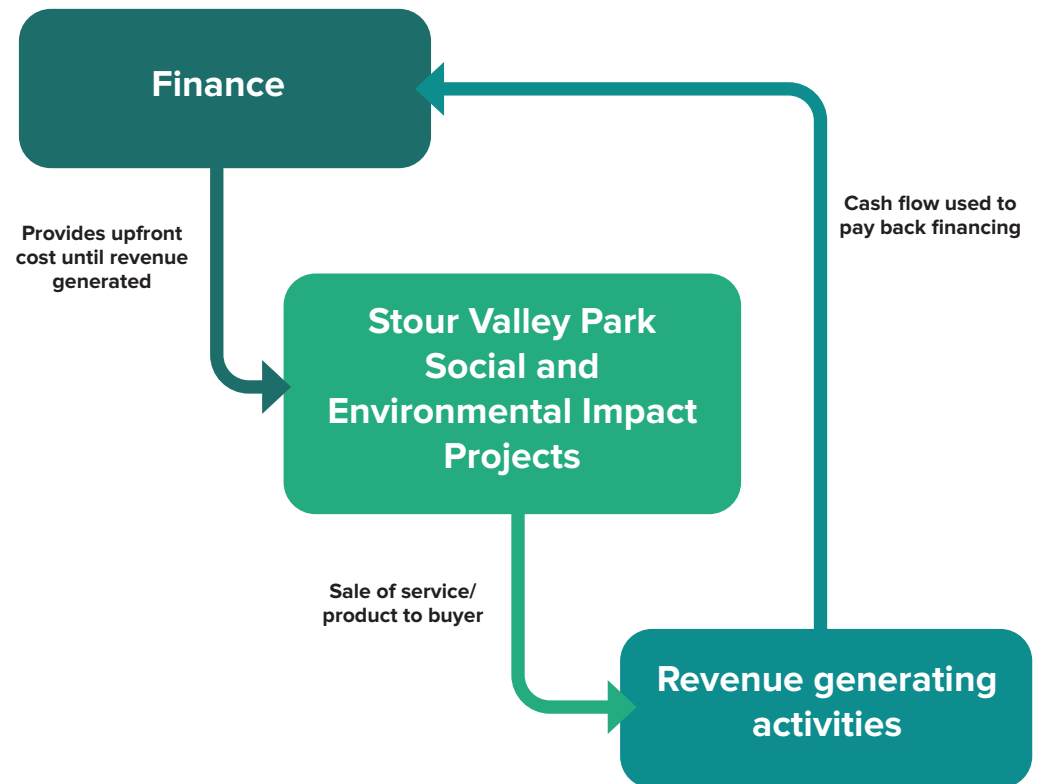


Diagram showing relationship between revenue and finance. Adapted from Finance Earth

<sup>1</sup> <https://www.theguardian.com/society/2021/mar/10/swingeing-cuts-on-cards-as-councils-in-england-face-funding-crisis-watchdog-warns>

## 2. Funding So Far

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The Parks Foundation (TPF) (formerly Bournemouth Park Foundation) Bournemouth Parks Foundation (BPF) – a registered charity, was set up with funding from Nesta’s Rethinking Parks Programme (2015-19) to enable the development of sustainable parks for the 21st century

**2015**

**2019**

The BPF, in partnership with BCP Council, secured HLF Future Parks Accelerator (FPA) funding of £750k in 2019 to develop several streams of work connected with social enterprise trading and revenue generation, development of an exemplar charitable model, health and well-being initiatives, volunteering and community involvement and the development of a landscape scale project – namely the Stour Valley Park proposal.

Note BPF & BCP Council were one of nine cohorts in the UK to receive funding from the FPA which is sponsored by The National Lottery Heritage Fund, National Trust and Ministry for Housing, Communities and Local Government. TPF – received and administer the grant on behalf of the partnership

**2020**

Initially £25k was awarded from the FPA for consultancy (R&D) work on the Stour Valley Park (SVP); a further £29k from Heathland Mitigation funds was sanctioned by Natural England in support of the project. The above funding of £54k secured a co-design phase of R&D through to a mid-point review of 31st March 2021 (now extended to 30th April 2021)

**2021**

An additional £70k was secured from the FPA (January 2021) to fund the Stour Valley Park ‘transformation phase’ through to March 2022.

### 3. Introduction to Impact Investment and Alternative Finance

The UK's social investment market is now worth £3.5bn and growing<sup>1</sup>.

By 2030 it is expected to be worth between £6-10bn. Central government policies and stimulus mechanisms have been set out in order to champion the growth of this market.

Lack of investment-ready projects with clear and defined business models has been a major limitation to the growth of this market sector.

When considering a project of this nature and scale 'blended finance' options may prove helpful by packaging up a blend of grant, debt and equity finance. This can also help with:

- Increasing access to finance by decreasing overall cost
- Decreasing risk to investors by guarantee of repayment
- Provision of technical support and expertise alongside investment

Types of capital can be broken down into:

- Philanthropic grant funding
- Debt finance
- Equity finance

#### Natural Capital Finance

Investors are looking for new opportunities to invest in environmental and social impact ventures. However, what is critical is that a pipeline of these projects can begin to emerge. The Stour Valley Park presents a unique opportunity to explore multiple natural capital finance solutions to achieve a broad set of environmental and social impacts.

#### Impact Investment

The purpose of impact investments is to generate positive, measurable social and environmental impact alongside a financial return.



Impact investing Graphic  
Credit: [Net Impact.org](http://NetImpact.org)

## 4. Existing financing mechanisms locally

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Set out in this section are the current financing mechanisms that are available in the locality to the Stour Valley and could be available to draw upon once relevant governance and operational structures are in place.

Grant Funding

Philanthropy

Central Government Funding

Local Mitigation S106/CIL

Heathland Mitigation Framework

Biodiversity Net Gain

River Stour At Canford  
Credit: Rivka Fine



*“Building conservation and nature-based solutions into projects represents a massive opportunity: from lowering operational costs, to unlocking new revenue streams, increasing customer engagement and delivering public environmental goods” (Finance Earth 2021)*

## 4.1 Grant Funding

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### Grant Funding

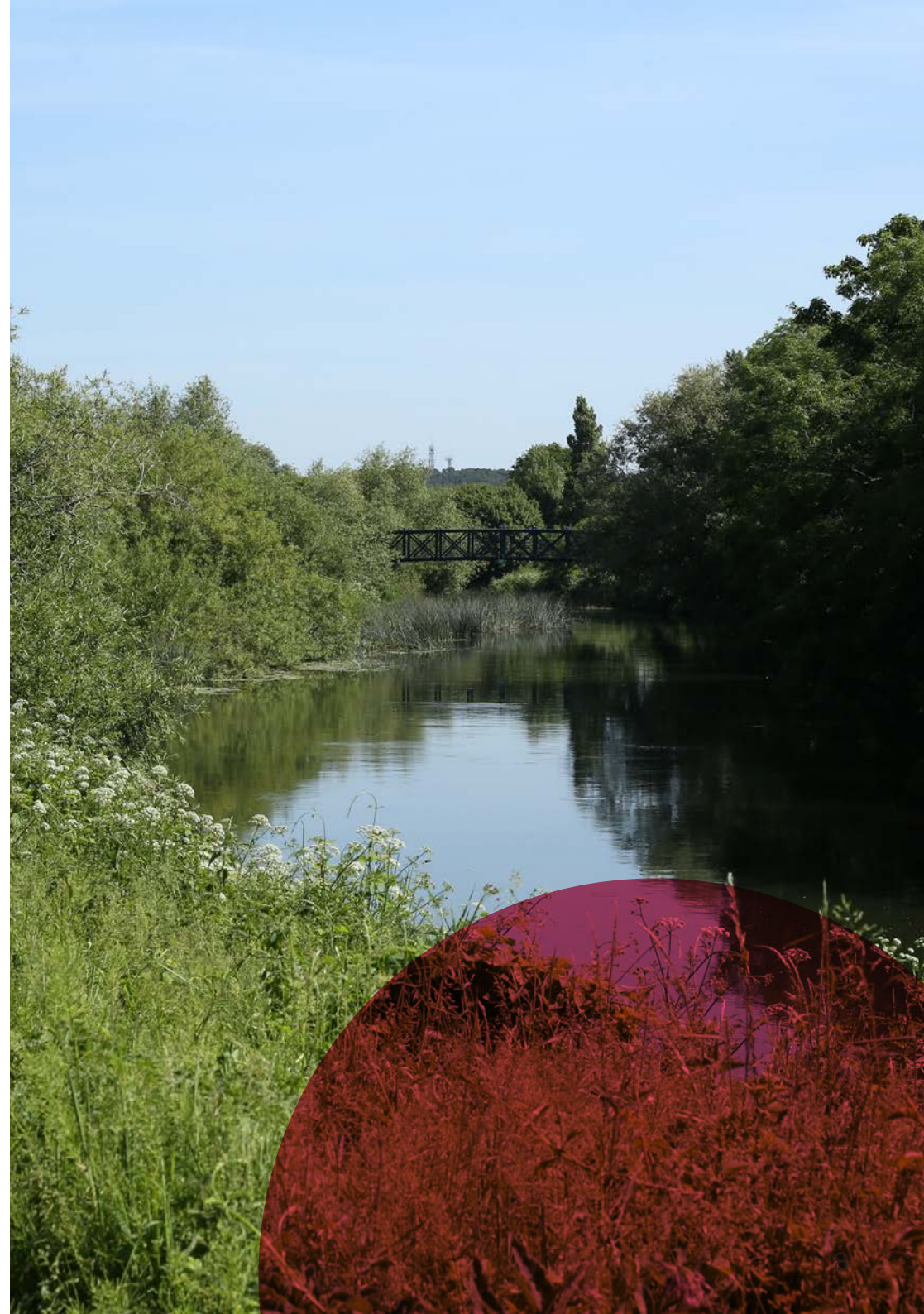
Grant funding requires appropriate legal structures to enable receipt and application of funding criteria.

Grant funding can be a challenging and resource intensive approach to raising capital and or revenue funds.

Furthermore, payments are usually tied to specific outcomes and time lines. Grant funding is usually a competitive process due to the high number of conservation and social based projects nationally.

Some examples of potential grant funding that may be suitable for the Stour Valley Park to apply for might be:

- National Lottery Heritage Fund - Grants for Heritage 2021-22  
£3000-£5million
- Esmée Fairburn Foundation – Unrestricted, long term funding to support core costs
- Landfill Communities Fund - Entrust





## 4.2 Philanthropy

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### Philanthropy

Philanthropy also requires a specific legal structure to receive donation and tax benefit.

There are opportunities to approach philanthropic foundations or individuals who may, for instance have an emphasis on conservation, heritage or employment. In order to reach out to a philanthropic audience, appropriate governance structures, clear marketing and communications must be in place.

Furthermore using existing charitable partners for collaboration to secure funding could be possible i.e. RSPB, National Trust, Dorset Wildlife Trust & The Parks Foundation (TPF)

Christchurch Harbour  
from Hengistbury  
Head  
Credit: Rivka Fine



## 4.3 Central Government Funding

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### Economic Investment

EU structural funding previously enabled the Dorset Local Enterprise Partnership (LEP) to administer funds for regional growth projects. The EU fund has now ceased since December 2021.

Central Government are expected to replace this with a 'Shared prosperity Fund' to be distributed through the LEPs. Dorset LEP has published its the Local Industrial Strategy (LIS) and are awaiting approval by the Government. However, it still remains unclear what the Shared Prosperity fund looks like and the sort of stimulus packages available.

Dorset LEP has developed the Dorset Investment Prospectus, an investment portfolio to deliver the LIS through both future governmental investments and private investors. The Prospectus sets out four portfolios Living, Natural, Smart and Wellbeing. Investing in Dorset's natural capital is featured strongly within the prospectus..

The Stour Valley Park with its opportunity for multifunctional benefits to the environment, the economy and society remain an important investment potential that aligns with the strategic aims of the Dorset Investment Prospectus.

Dudsbury Hill Fort  
Credit: Rivka Fine



## 4.4 Local Mitigation S106/CIL

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### Local Mitigation S106/CIL

Local authorities can deliver projects that contribute to the objectives in the park through developer contributions as part of the planning system or securing central government funding. For example, the local authorities have secured funding through the Transforming Cities Fund to improve cycle and pedestrian access through parts of the area.

Funding from new development can be secured in different ways, most commonly Section 106 agreements(S106) and Community Infrastructure Levy. Key to what local authorities can ask developers to deliver directly or through S106 are the tests set out in Regulation 122 of the Community Infrastructure Regulations, i.e.:

- necessary to make the development acceptable in planning terms;
- directly related to the Local development; and
- fairly and reasonably related in scale and kind to the development.

Increased access to the area can be secured through development as developer contributions providing public open space, improvements to public rights of way and heathland infrastructure projects, such as Suitable Alternative Natural Greenspace, to provide mitigation for the impact of development on protected habitats and species. The Dorset Heathlands Development Framework 2020 Supplementary Planning Guidance includes SANG guidance setting out design requirements and appropriate activities.

Other projects may be funded by CIL receipts on a case by case basis. Potentially both sources of funding could be used to match fund other grant income.

Environmental improvements can be delivered by the planning system through biodiversity mitigation and net gain. In both cases the mitigation hierarchy applies – avoid, mitigate, and as a last, resort compensate, replacing/restoring or providing a 10% increase in the same habitat as close to the original development as possible. The Stour Valley, as part of the local nature recovery network will play a key role in this for appropriate habitats.



## 4.5 Heathland Mitigation Framework

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### Heathland Mitigation Framework

Driven by EU habitat directive and enshrined in law through British Habitat Regulations, the Heathland Mitigation Framework<sup>1</sup> is designed to protect Heathlands from the impacts of a growing population and the effects of development.

The framework is divided into two approaches:

- **Strategic Access Management and Monitoring (SAMM)**
- **Heathland Infrastructure Projects (HIPs)**

SAMMs are delivered through CIL/S106 contributions based on new developments. This sets out a budget of £2m (BCP&DC) over the next 5 years to pay for staff costs of wardens, educational programs and ongoing monitoring.

HIPs are often delivered in full by developments of over 50 units or through contribution for smaller developments. These can take the form of Suitable Alternative Natural Greenspace (SANGS) and can be delivered by the Local Authority or by developers.

The management of SANGs are supported by an endowment approximately set at £1000/hectare over an 80year period. This can be a lump sum for Local Authorities or more frequently is delivered as a 'roof tax' to occupants of the new developments.

The intention of the SANGS is that they become a community resource to attract users away from Heathland, therefore activities on SANGs need to be representative of current heathland users i.e. dog walking and cycling.

The opportunity that HIPs present to support the delivery of the Stour Valley park is significant however there are barriers to this:

- There is clear opportunity to explore revenue generating activities in SANGs that contribute to the management and operations of the park, i.e. facilities such as cafés, cycle hire, etc., however these must be balanced against the policy objectives of keeping people off the heathlands. If the SANGs become too popular users may therefore revert back to heathlands. There must be a distribution of areas to balance levels of access through the landscape.
- Furthermore, developers are currently able to utilise the system to leverage capacity from SANGS for strategic provision therefore creating financial opportunity for private developers. If landownership was transferred to public ownership the strategic provision contributions could be utilised to support the park creation and management.
- There is too, an obligation (European Court of Justice's ruling 2018) to have suitable mitigation (SANGs etc) tested through an appropriate assessment procedure (part of a Local or Strategic Plan) and in place ahead of future planning developments.
- Currently land and asset transfer of SANGs into public ownership is an option but rarely exercised. Local authorities must make a position to push the asset/land transfer into public ownership therefore unlocking the potential of public revenue generating activities. This may require clearer policy to unlock this potential.

## 4.6 Biodiversity Net Gain

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### Biodiversity Net Gain

Net gain is a government policy but not yet a legal requirement, expected September 2021 with the Environment Bill.

This will look like mitigation for on-site loss of biodiversity from development expressed as a net gain of 10% either on site or off site. This is intended for 30 years funding. At this stage it is unclear how net gain will work in practice but there is clear potential to layer it into the funding mix particularly as the Stour Valley Park will present opportunities at scale to deliver net gain.

Local authorities will be able to decide their priorities for use of net gain. The potential for the Stour Valley Park is that priorities for net gain could be set out to support specific objectives of the Park e.g. soil resources, drainage systems, rewilding etc. This could enable broader delivery of objectives rather than focusing on specific species in specific areas. Local authorities could set out how and what they want to spend their money on around priorities e.g. hydrological processes, soil processes etc. as opposed to specifics like 10m<sup>2</sup> of hedgerow or x species.

Furthermore, this could be delivered as a financial contribution that could be pooled /layered up into different pots around priorities i.e. hedgerow fund, grassland fund, species reintroduction fund.

At this stage is it difficult to ascertain what level of funds will be available yet from this process and questions also remain about who owns the assets and who utilises the benefits as Net Gain contributions can come only if you own the land.

This also reinforces the notion that if the land and assets are in public ownership they can be utilised as potential sources of revenue to access blended finance and deliver this project at scale.



Slow worm  
Credit: Steve Davis

## 5. Emerging UK Opportunities

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### The Environment Bill (2019)

Sets out regulations and levies to achieve the 25-year environment plan. Stipulates a mandate for the creation of an environmental watchdog – Office for Environmental Protection. The bill may also enable the establishment of conservation covenants to protect land from development in perpetuity.

### Biodiversity Net Gain

Presents a key opportunity through the regulation of biodiversity in the planning system. In order for future developments to receive planning permission they will have to demonstrate an overall 'biodiversity net gain' of 10% is achieved either on-site or off-site, based on the current status of the site.

DEFRA estimates Biodiversity Net Gain will generate £200m of revenue per annum for the economy and support conservation groups.

If utilised in a coordinated and strategic manner, Net Gain may enable 'pooling' of S106 contributions and aggregated land banks to enable more effective habitat restoration.

### Environmental Land Management Schemes

Central to the 2020 Agriculture Bill, the proposed ELMs are a land management policy currently being trialled to replace the existing subsidy system of the Common Agricultural Policy.

Farmers and land managers will be paid for the delivery of 'public goods', broadly defined as clean air, clean water, healthy microbial soils, increased biodiversity, cultural benefits tied to access and protection and enhancement of the rural environment.

## SUSTAINABLE DEVELOPMENT GOALS



Impact investment aligns around UN sustainable development goals  
Credit: [UN](#)

## 5.1 Emerging UK Opportunities

### Woodland Carbon Guarantee

The Woodland Carbon Guarantee (WCaG) aims to deliver increased woodland planting and develop the domestic carbon market for carbon sequestration.

There is government commitment to purchase carbon through auctions of 'Woodland Carbon Units'. Providers are offered contracts based on audits to monitor and evaluate the success of the planting and woodland development.

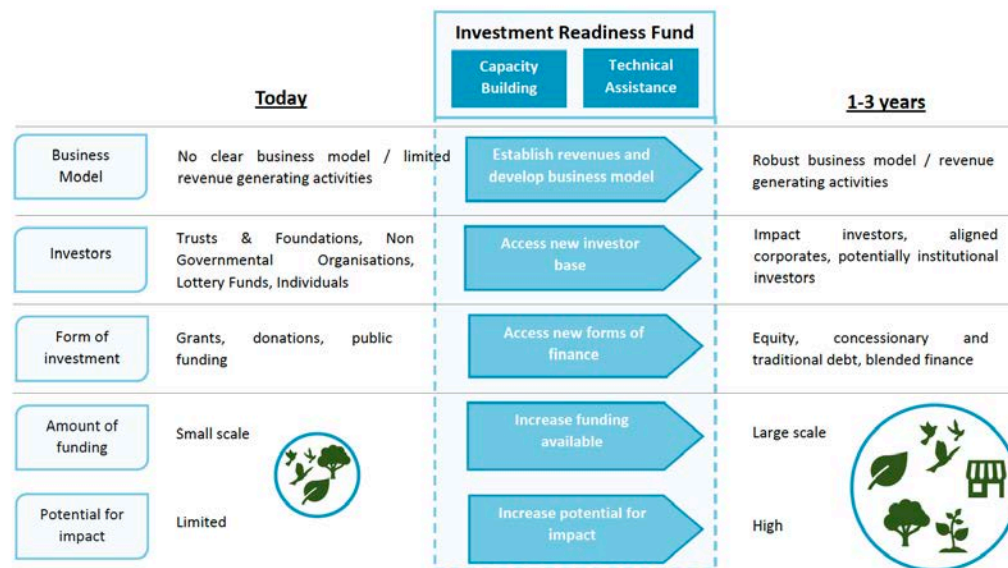
Backed by government this sets precedent and price in order for investors in carbon capture through woodlands to be confident of revenue streams. June 2020 saw auction price of carbon at £24.11/tCO<sub>2</sub>, and estimates are that this market price could rise to £50-75/tCO<sub>2</sub> by 2030 (IMF).

### The Natural Environment Investment Readiness Fund (NEIRF)

Beginning in 2021 the NEIRF is a funding commitment to stimulate private investment in the natural capital finance sector. Aimed at developing technical assistance and capacity building to evolve investment-ready conservation projects, this fund presents an opportunity to develop the market.

The Stour Valley Park will prepare an application for the fund (round 2) of between £10-100,000 to develop a potential investment prospectus and delivery timeline against potential revenue streams.

Whilst multiple potential forms of revenue streams exist, some are more favourable due to supportive policy conditions.



Investment Readiness Fund Graphic  
Credit: Finance Earth

## 5.2 Emerging UK Opportunities

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### **Woodland Creation**

Woodland creation may be supported by revenue from continuous cover forestry or carbon credits. This is aligned with the environment plan objective and therefore holds low risk. Supported by the Woodland Carbon Guarantee and Woodland Carbon Code the policy support is in place to develop this market. Current market opportunity is in place through voluntary action, specifically the Carbon Offsetting and Reduction Scheme for International Aviation. As carbon markets develop there is greater scope for these initiatives.

### **Place Based Models**

This refers to local management and use of capital to address the needs of a locality. This model stacks different local assets under centralised objectives. The stacking of assets across sectors can improve access to finance. This approach can provide sustainable funding for natural capital assets through cross subsidy of revenue generating activity on those less developed assets.

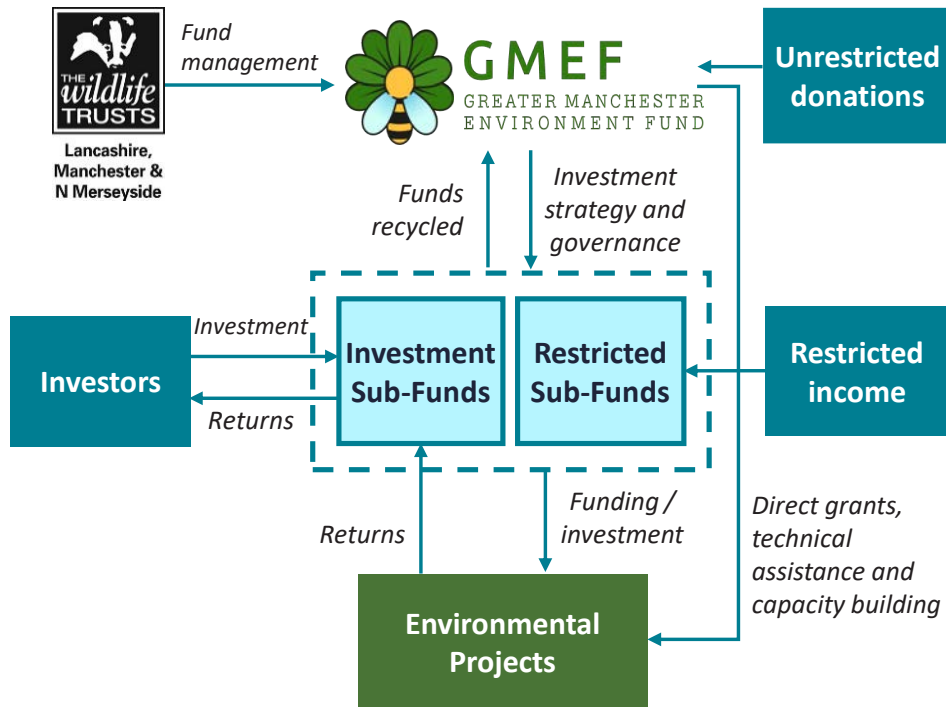
### **Nature Based Solutions**

A broad term to encompass a range of mechanisms that are based on appropriate and sustainable land management strategies to address social and environmental problems. Examples of this could be using Sustainable Urban/Rural Drainage Systems (SUDS) to improve water quality and mitigate flooding. The financial model for example may be that water companies pay for services that offer them a cost-benefit. For example, they may contribute to the development of SUDS/ wetlands to reduce their costs of chemical water cleaning via biological (natural) processes. Furthermore, in this instance there may be 'stacked' functions and benefits of these natural interventions like improving biodiversity through a wetland provision. This also presents opportunity to stack multiple funding models into these natural solutions.



## GMEF Structural Overview

GMEF is a unique approach taken by a UK city region to strategically aggregate and leverage funding through an independent governance vehicle to deliver its environmental ambitions.



### Overview of GMEF Approach

- GMEF is a charitable vehicle managed by Lancashire Wildlife Trust (“LWT”).
- LWT provides technical expertise, local network and experience in running charitable vehicles for fund deployment.
- GMEF will collate a range of non-restricted funds (such as public and philanthropic sources) and restricted funds (such as enforcement funds) to strategically channel into delivering GM’s environmental priorities.
- GMEF will use funding for:
  - Strategic direct project support; and
  - Creating specialist sub-fund subsidiaries focusing on natural capital business models that unlock restricted funding streams and mobilise private capital.
- Returns beyond those due to other investors will be recycled back into GMEF to support its aims.

Greater Manchester Environment Fund Graphic  
Credit: Finance Earth

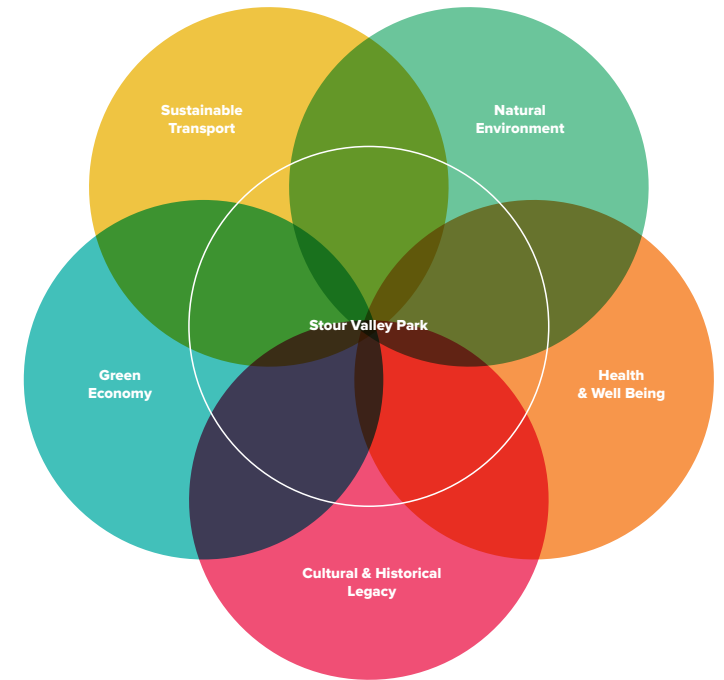
***GMEF provides a transparent mechanism to align funding sources and provide a governance framework to house further vehicles designed to fund specific natural capital projects in GM.***

## 7. Indicative Opportunities for Natural Capital Financing and Social Impact Investing in the Stour Valley Park

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This section sets out and explores potential opportunities for revenue-based models that the park may employ in order to unlock the financing to deliver the park.

There is scope to deliver this project through a combination of blended finance and a stacking of multiple finance models to generate returns and deliver impact.



### Main environmental and social benefits

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- Health and well-being accessible green space, social prescribing, improved air quality

- Local community access

- Natural environment climate regulation, carbon sequestration, flood prevention, biodiversity and habitat restoration, improved soil health

- Heritage and culture

- Local employment, local food provision, renewable energy

## 7.1 Indicative Opportunities for Natural Capital Financing and Social Impact Investing in the Stour Valley Park

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### Key opportunities for investing in green and blue infrastructure

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- Land/asset purchase for park creation
- Land and habitat banking – mitigation against local development
- Renewable energy
- Landscape restoration – carbon capture from woodland/riparian establishment
- Capital infrastructure – new bridges, cycleways, footpaths, facilities, planting, furniture
- Habitat improvement – conservation, rewilding
- Investment in new assets/activities i.e. gateways, cafés, facilities
- Investment in upgrade of existing assets i.e. public land
- Sustainable Urban & Rural Drainage Systems
- Access agreements and negotiations with landowners
- Investment in redundant farm buildings as gateways to the Park enabling social enterprise initiatives

### Potential sources of revenue

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- Net gain payments from developers and heathland mitigation fund
- Health benefits linked to new accessible green space – social prescribing through the NHS
- Cost benefit savings to water companies from SUDs
- Cost benefit savings to water companies from reduction in chemical application of fertilisers etc. to land
- Water quality benefits to population and water companies through

- riparian restoration
- Flood resilience
- Gateways, cafés, facilities, recreational enterprises, community farms with incubator hubs for low-key high-tech business, tourism, hospitality, farming/food provision revenues
- Renewable energy portfolio
- Local Economic Partnership financing
- Community shares/investment
- Developer endowments/contributions



### Barriers

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- Coordination and collaboration with landowners – negotiations
- Coordination and collaboration with developers - negotiations
- Coordination and collaboration with local authorities – commitment
- Effective governance
- Establishing a baseline and monitoring improvements
- Availability of land

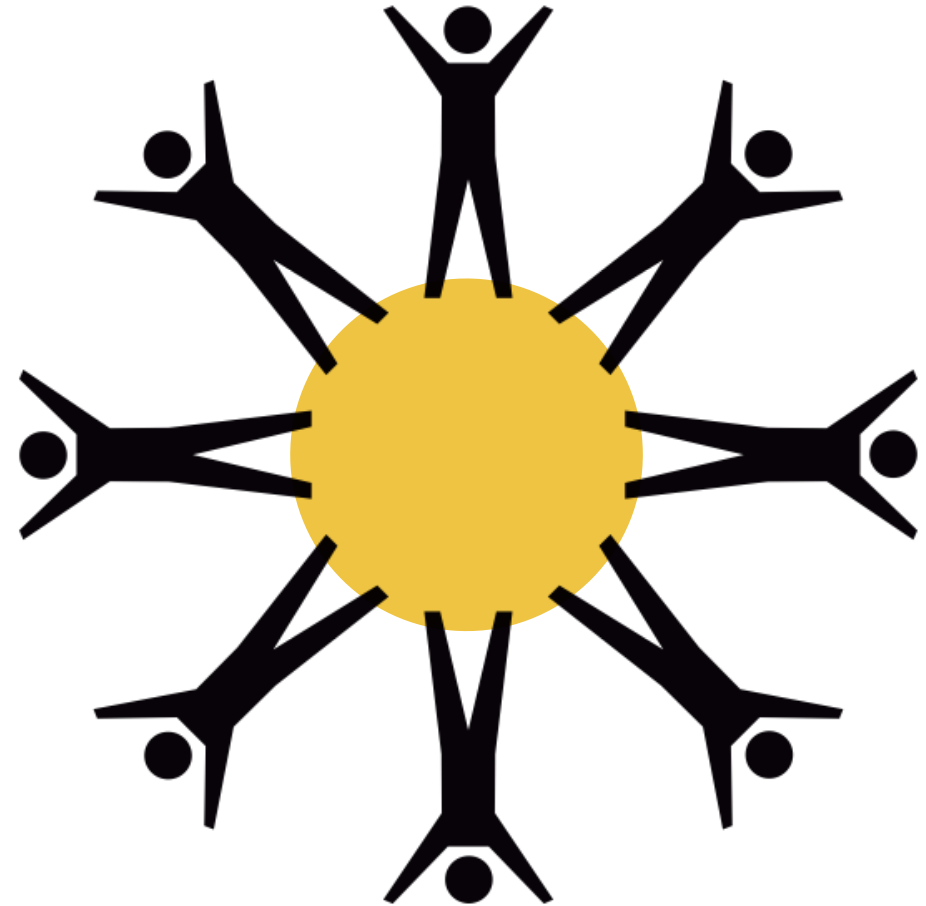
## 7.2 Indicative Opportunities for Natural Capital Financing and Social Impact Investing in the Stour Valley Park

### Local Context

- BCP/DC both declared climate and ecological emergency
- SVP in alignment with LEP/ LIS Dorset Investment Prospectus aims
- Existing system of habitat regulation mitigation (HMF) working
- Local (BCP) Green Infrastructure Strategy being completed
- Both BCP & DC undertaking local plans

### Key Stakeholders

- Partnership group,
- Local community,
- Landowners,
- Farmers,
- Developers,
- Community groups,
- Water companies,
- Local businesses,
- Philanthropists.



## 8. Governance

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This section sets out a general overview of potential ownership, governance and management options for the Stour Valley Park.

The vision as set out by the partnership group includes two points particularly relevant to this:

*To have an effective and inclusive governance structure, enabling a strong partnership at its core to develop creative and innovative approaches to the Park's long-term resourcing and management.*

*To encompass a social enterprise / charitable model able to attract philanthropic investments*



Initial Insight Session  
Workshop  
Credit: Megaphone Films

## 8.1 Some considerations

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### **Some definitions**

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It is important to distinguish between the governance model of a project, which sets out the mechanism by which decisions are made, and the legal structure, which is the institutional vehicle that may hold land or property, or enter into contracts. Both of these should be in service of the vision of the overall project and should be designed once it is clear what they are trying to achieve. In other words, form should follow function. We see governance happening at all levels of a project, not just during board meetings - it encompasses the processes and systems through which power is distributed or hoarded, and where decisions are made.

### **Importance of adaptability**

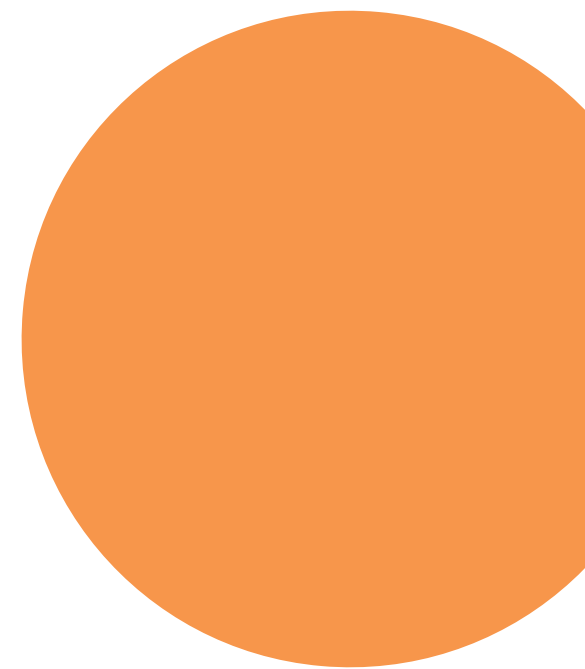
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Among others, Elinor Ostrom's work on governing common resources<sup>1</sup> makes it clear that an adaptive governance model is crucial to governing complex resources in which many people have an interest. Particularly at this time of great uncertainty, any model needs to be adaptive and flexible, and open to change as circumstances change.

### **One size does not fit all**

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Ostrom's work also strongly suggests that one single model is less likely to be successful in creating long term sustainable governance of a resource than a multiplicity of models at different scales, with different institutions taking different roles. Especially in ambitious, complex landscape-scale projects like the Stour Valley Park, there may be more than one appropriate governance model and legal structure, and indeed that a series of interlocking or nested structures may be needed to achieve all of the goals of the project. This is particularly relevant when considering the financing options and the potential use of stacked functions and assets, operating within an 'umbrella organisation'.



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1 [Governing Common Resources](#)

## 9. Governance - Insights from engagement

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### Introduction

The workshops held during this stage of the project broadly focused on understanding participants' experience of and relationship to the Stour Valley in the here and now, and forming a vision of its desired future. The format of these workshops were arranged to be non-prescriptive, asking open questions to include both the positive and negative and to invite all varieties of responses. Issues of governance were not addressed directly in workshops, but participants in groups consistently highlighted the importance of appropriate governance and opportunities for meaningful participation in the Stour Valley Park. Included below is a summary of various comments made to this end.

### Approach taken

Feedback from groups expressed appreciation for an approach that was genuinely 'doing with' rather than 'doing to'. This approach recognises the expertise held amongst the community and key stakeholders with existing direct relationships with the River Stour. People were excited to have the opportunity to contribute their experience and ideas.



Initial Insight Session  
Workshop  
Credit: Megaphone Films

## 9.1 Governance - Insights from engagement

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### Feedback on governance and participation

Participants in public workshops highlighted the value in developing a sense of community identity within the SVP project. To achieve this, participants pointed towards the need for involvement in governance, that would contribute towards a sense of 'pride in place'.

**Public** participants also emphasised the value of developing a sense of responsibility towards the future park. They suggested this could be done by creating opportunities for members of the public to make meaningful contributions towards achieving the vision of the park. In essence, a park that is created by and for the community surrounding it.

Various workshop groups, including **public, farmers & landowners, anglers** [...] expressed the need for ongoing channels of communication between different groups within the Stour Valley. This was suggested as a means to keep people informed about developments within the park, to reduce conflict between groups, and to promote collaboration between groups. Various groups suggested a regular forum to gather different groups in discussion, with representation from the local authority.

**Farmers** shared that they have made independent efforts to educate and inform the public, including school groups. They would appreciate the opportunity and resources to expand these activities, and enhance people's awareness of food systems and the local environment.

Additionally, **farmers & landowners** indicated a desire to be involved in discussions to develop a cohesive strategy for land management and conservation efforts along the length of the river. **Anglers** echoed this desire, to coordinate with other groups including local authorities.

**Anglers** also expressed an interest in direct participation in management of the river. In particular this could allow them to coordinate with other user groups such as water craft users like canoe or boat clubs, so as to avoid conflict.

**Developers** called for better communication with decision makers/local authorities to improve current planning system. Developers would be interested in going beyond current provision of SANGS, or finding a more effective coordinated approach to provision of SANGS. Current planning system can be cumbersome, disjointed, and has the effect of stifling enthusiasm and feasibility of numerous ideas put forward. Speed of delivery needs to be improved and a more cohesive approach could help to achieve this. **\*\*Business\*\*** representatives also called for council and private sector collaboration in planning.

**Developers & business** representatives also called for community-led governance that does not rely on direction from the council.

**Developers** further called for this project to be enshrined in published documents to be used in the planning framework, and to be incorporated into local plans.

**Community & volunteer groups** highlighted the incentive to 'look after your patch' through working groups set up around particular issues. Other groups echoed the potential for community coming together around common goals.



## 9.2 Governance - Insights from engagement

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### Going forwards

A general reflection is that a wealth of ideas and enthusiasm came from participants in all workshop sessions. Many went so far as to volunteer their time and efforts towards the Stour Valley Park project. By keeping them regularly informed about developments to the project, and inviting their contributions through events and open invites for feedback, this energy can be harnessed towards achieving the vision of the SVP in a way that prioritises community involvement at the earliest possible stages. The ongoing maintenance and use of the park can be made more sustainable in environmental, economic, and social terms if the project proceeds in this manner.



Initial Insight Session  
Workshop  
Credit: Megaphone Films

## 10. Potential governance model options

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There is a spectrum of potential approaches as to how the governance of the Park could be conceived. These have deliberately been made as distinctive as possible in order to facilitate discussion, but in reality there could be some overlap between all of them (and indeed it might be appropriate for more than one to be in place, as discussed below).

1. Acquisition and Control

2. Management

3. Quasi-Regulation

4. Commoning

Insight Session with  
Partnership Group  
Credit: Megaphone  
Films



## 10.1 Potential governance model options - Acquisition and Control

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### 1. Acquisition and Control

This is the option where the organisation/s that hold the strategy seek to maximise the amount of control they have over the land in the park boundaries.

BCP/DC would seek to hold onto existing landholdings and acquire more land from developers through SANGS, as well as purchasing land from private owners where necessary.

Another version of this would be that the current partnership incorporates as a new organisation (or some members create a new organisation), and that organisation seeks to acquire land for the Park, which it then manages

#### **Pros**

- As landowner, BCP/DC or the new incorporated organisation would have maximum control over how land is used and managed, and can ensure access is maintained
- Supports consistency of management and appearance throughout the park
- Consistency of staff “park-keepers” may encourage more use of sites and routes

#### **Cons**

- Unlikely to be realistic for the whole park site
- Would require a more active role for BCP/DC than might be politically feasible / desirable
- May reduce flexibility and agility of management by increasing (or being perceived to increase) bureaucracy.

#### **Resources needed**

- Substantial capital resources to acquire and purchase land

## 10.2 Potential governance model options - Management

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### 2. Management

In this scenario, BCP/DC (or again, a newly incorporated organisation), seeks to implement the strategy for the park through offering management services to landowners.

It would need to offer competitively priced management services for at least the key strategic sites and routes. It would likely need to start with BCP/DC land, and use the quality of management of these sites as a selling point to encourage private and other landowners to use their services

#### Pros

- Consistency of management throughout the park (if successful)
- Consistency of staff “park-keepers” may encourage more use of sites and routes
- Substantial level of control over how land under management is used

#### Cons

- Landowners would be under no obligation to use BCP/DC services
- A patchy take-up of services would result in patchy management of the park
- Ongoing need for “sales” team
- Would not ensure consistency in perpetuity as management contracts will be time limited

#### Resources needed

- Development of management service offer sales and marketing resources, and ongoing customer services

## 10.3 Potential governance model options - Quasi Regulation

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### 3. Quasi-Regulation

This option would not see BCP/DC try to acquire or manage land they do not currently own.

Instead, the existing partnership would be expanded and formalised as a partnership that acts as a quasi national or regional park authority.

It would create and agree a masterplan for the park with key stakeholders, and use this to create an action plan for implementation across the park.

It would need to work in partnership with other landowners and could act as a conduit for seeking and distributing funding to support works needed to create the park.

#### Pros

- Embeds all partnership members and landowners as partners in the park, rather than being controlled or “done to”
- May support a more varied approach to management across the park, which could increase interest and variety
- Provides a clearer route (through membership of the partnership) for non-landowning stakeholders to be involved

#### Cons

- The partnership would not actually be a national park authority and would not have the statutory powers to enforce or attempt to enforce the action plan
- Landowners who did not agree with the park concept would not have to join the partnership
- Partnership boards can be heavy and ineffective, and without careful facilitation can lose site of the original vision of the partnership (once the people who originally conceived of it have moved on)

#### Resources needed

- Facilitation and negotiation time to bring all relevant partners on board the partnership and to agree the management plan
- Ongoing staffing for the partnership to facilitate the board, and to raise money for projects and implementation

## 10.4 Potential governance model options - Commoning

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### 4. Commoning

This would be the most informal of the options, a bottom-up approach that starts with community organising to engage people in developing a vision for the area (or a series of areas that together make up the whole Park).

The aim here would be to achieve a wider culture change that supports the creation of the concept of the park in people's minds, and that builds on that support through individual projects within the Park's footprint.

Landowners, businesses and other institutional stakeholders would be engaged in parallel to the community, and it may be that a series of local governance or legal structures springs up in different places to enable particular projects.

#### **Pros**

- Potentially more likely to create lasting change in the way people see the park, that is not reliant on external funding or programmes
- May engender a real feeling of stewardship amongst local people and organisations
- Could engage a far wider range of people than standard consultation processes
- Broader distribution of power and sense of ownership than the other options

#### **Cons**

- Less control for BCP/DC (although some may see this as a pro)
- Potential for less overall coherence in the design and management of the Park
- May take longer to see any significant change

#### **Resources needed**

- Community organisers
- Time

## 11. Potential Legal Structures

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As discussed, there could be a number of potential legal vehicles to deliver the governance options described above. However not all of the governance options require the creation of a new legal vehicle.

Looking at the examples in Plymouth, Manchester and Cambridge as set out by Finance Earth, all involved the creation of some new legal vehicles.

Some key considerations when thinking about legal structures for new ventures include:

### To spin out or not to spin out?

Local authorities have a number of options when it comes to the alternative delivery of public services. These include the creation of Local Authority Trading Companies (LATCs), and Public Service Mutuals (PSMs). This paper concentrates primarily on alternative models that sit within the broad social sector, but many of the same considerations apply to LATCs and PSMs. There are particular technical procurement issues around LATCs that are explained nicely in this guidance, but that should be borne in mind.

### Incorporation

Is there a need for the new body to have a separate legal identity from the people or organisations who control it? If the new body is to enter into any contracts, borrow money or (in many cases) own land, creating a new legal body - incorporating - creates a new legal “person” that enters into those contracts rather than the individuals involved doing so. This has the effect of limiting the personal liability of those in control of the new body should things go wrong.

## 11.1 Potential Legal Structures

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### **Charitable status**

Is there a need for the new body to have charitable status? This comes with many benefits, particularly around not having to pay corporation tax, and greater availability of charitable funding sources. Charitable status can also be reassuring to partners and funders as it is a clear mark of being for “social good”. The potential downsides include a lack of flexibility over activities - charities are restricted around how they can “trade” and generate income, as well as increased regulation and scrutiny. Charities are regulated by the Charity Commission.

### **Community Interest Companies**

The Community Interest Company (CIC) status is aimed at social enterprises who need to trade more entrepreneurially than charities. Regulated by the CIC Regulator, they do not have the same tax benefits but have more flexibility over how they reach their social purposes. CICs can be limited “by guarantee”, and, like companies limited by guarantee they cannot sell equity, or they can be limited “by shares”, and therefore can accept (with some restrictions) equity funding. CICs are a common legal structure for social enterprises, but charitable companies, cooperatives and companies limited by guarantee can all be suitable legal vehicles for social enterprise activities.

### **Membership / shareholding**

How important is it for there to be some level of control of the new body by the people who support it or are affected by it? Many legal structures support different levels and types of membership, depending on their aims. Particular clarity over how “democratic” an organisation is desired to be (or be perceived to be) will be important. An active membership can provide increased scrutiny and reassurance to other stakeholders that the organisation is fulfilling its objectives.

### **Asset locks**

How important is it that the new body’s assets are only used for certain purposes? Some legal structures have mechanisms known as “asset locks”. These are clauses in the governing document of the organisation that state that the assets (money, land and property) can only be used to further the purposes of the organisation. If it is wound up, or goes into liquidation, while assets can be used to pay its creditors, anything remaining must be passed to another asset locked body with similar aims. Some legal statuses (like charitable or community interest company status) require a statutory asset lock which cannot be removed. A voluntary asset lock can be inserted into the governing document of other types of organisation, but can be removed if necessary. It should be noted that an asset lock does not stop the organisation selling its assets but it must get best value for them in order to preserve its ability to meet its purposes.



## 11.2 Potential Legal Structures

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There are other considerations, and more could be written about all of the above. The table below shows some potential legal forms that a partnership could take, with some notes against each of the above considerations.

Legal Structure	Incorporation	Charitable / CIC Status?	Asset Lock?	Membership?
Unincorporated Association	No - individuals are liable for the association. Therefore it cannot own property in its own right.  Must be set up by individuals, not companies.	If the aims are charitable, it is a charity. Must register with Charity Commission if income over £5k pa.  Cannot get CIC status.	If charitable, statutory asset lock is in place. If not, a voluntary asset lock could be inserted.  Not advised to seek to secure assets as not incorporated.	Can design a constitution with a membership that e.g. elects a board, takes part in activities etc.  As there is no corporate “person”, the members do not “own” anything.
Trust <sup>1</sup>	No - Generally set up on donation of an asset or funding to a group of trustees to use for the purposes the donor sets out. Trustees individually liable for any debts.	If the aims are charitable, it is a charity. Some trusts are private family trusts, with different rules.  Cannot get CIC status.	If charitable, statutory asset lock is in place	No - Trusts cannot have memberships

1. For more info see: <http://getlegal.bwbllp.com/unincorporated-legal-forms>. It should be noted that not all organisations who use “Trust” in their name are “trusts” under this definition.

## 11.3 Potential Legal Structures

Legal Structure	Incorporation	Charitable / CIC Status?	Asset Lock?	Membership?
Company limited by guarantee <sup>2</sup>	<p>Yes. This is one of the most common forms of “not for private profit” legal structure.</p> <p>The “by guarantee” means that there is no share capital, and instead members guarantee to cover the company’s liability (usually by a nominal sum like £1).</p>	<p>Can apply for charitable status if the aims are charitable.</p> <p>Can apply for CIC status if it meets the eligibility criteria (that a “reasonable person” would consider its activities to be for the benefit of the community”).</p>	<p>If it has charitable or CIC status, will have a statutory asset lock.</p> <p>Without either status, the asset lock can be imposed voluntarily.</p>	<p>Yes - it must have members<sup>3</sup>, who have similar powers to shareholders. There are two main options:</p> <ol style="list-style-type: none"> <li>1. That the members of the company are the same people as the directors</li> <li>2. That the membership is wider than the directors and plays a role in holding the company to account.</li> </ol>
Company limited by shares	<p>Yes - in this case the shareholders guarantee the liabilities of the company (up to the amount they invest).</p>	<p>Cannot apply for charitable status.</p> <p>Can apply for CIC status.</p>	<p>CICs limited by shares will have an asset lock.</p> <p>A standard CLS will have no asset lock.</p>	<p>Members are shareholders and have control over the company, e.g. electing directors. Profits can be distributed amongst shareholders as dividends.</p>

<sup>2</sup> For more info see: <http://getlegal.bwbllp.com/company-limited-by-guarantee>

<sup>3</sup> Members can be individuals or companies, but directors must be “natural persons” under the upcoming changes to company law. See <https://www.geldards.com/corporate-directors-%E2%80%93-an-upcoming-change-in-uk-company-law.aspx> for more information.

## 11.4 Potential Legal Structures

Legal Structure	Incorporation	Charitable / CIC Status?	Asset Lock?	Membership?
Community benefit society <sup>4</sup>	Yes. This is an industrial and provident society - a form of co-operative. It is registered at & regulated by the Financial Conduct Authority.	If its activities are charitable and provide public benefit, it can apply for charitable status.  Cannot apply for CIC status	Yes - the FCA expects assets to be used for the benefit of the community.  Can voluntarily adopt statutory asset locks.	Yes. Members are shareholders, and have one vote each (not proportionate to size of shareholding).  Profits cannot be distributed among shareholders, but interest on share capital can be (up to a certain cap).
Limited liability partnership <sup>5</sup>	Yes - A new legal person is created	It exists for the benefit of the partners so cannot apply for either charitable or CIC status	No statutory asset lock. Partners could agree to a voluntary asset lock.	Partners (individuals or companies) are the members of the LLP.
Charitable incorporated organisation	Yes - this is a form of incorporated charity, which is only registered with the Charity Commission, not Companies House <sup>6</sup>	All CIOs are charitable by definition	CIOs will have a statutory asset lock	2 types of CIOs: 1. Foundation CIOs: where the members of the company are the same people as the trustees 2. Association CIOs: where the membership is wider than the trustees and plays a role in holding the company to account.

<sup>4</sup> For more info see: <http://communityshares.org.uk/resources/handbook/community-benefit-societies>

<sup>5</sup> See <http://getlegal.bwbllp.com/limited-liability-partnership>

<sup>6</sup> It should be noted that in the event a CIO loses its registration at the Charity Commission (e.g. if the law about what is charitable changes, or it loses charitable status for any reason), it will cease to exist. Companies limited by guarantee may lose charitable status, but continue to exist as companies registered with Companies House.

## 12.1 Governance - Further Stakeholder Outreach

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### **Feedback from public workshops**

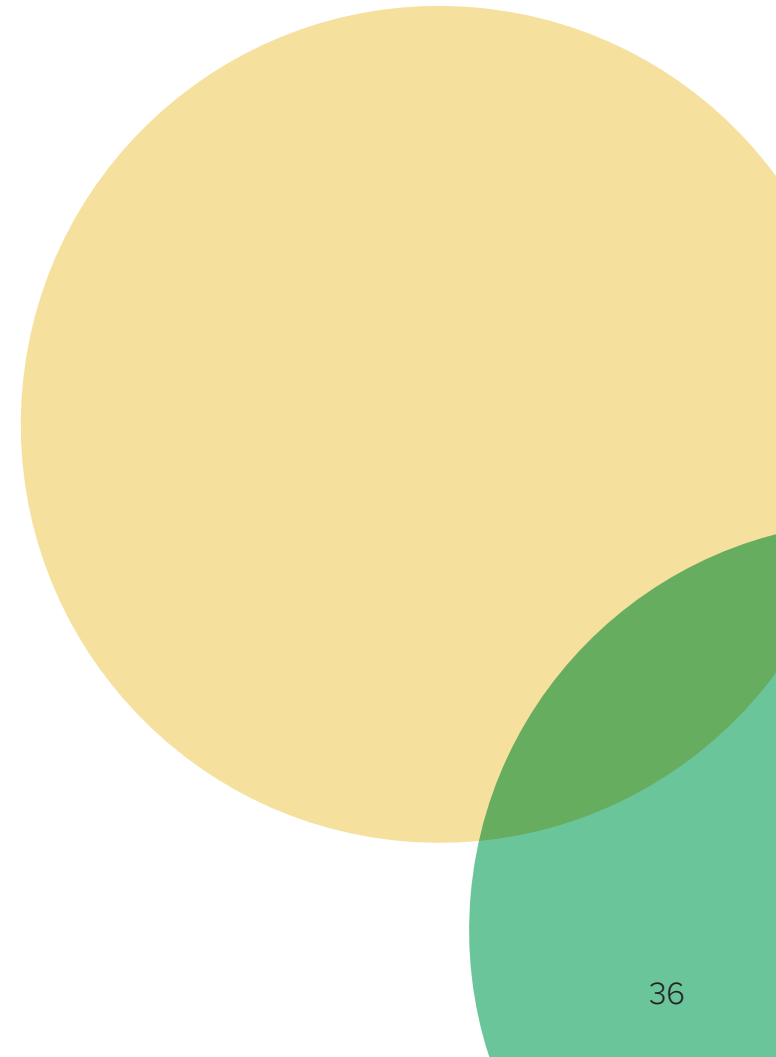
Between January and March 2022 additional conversations with key stakeholders, including local landowners, developers, and representatives of relevant organisations were held, alongside three public workshops.

The aim of these conversations and workshops was to get a clearer sense of the image the different stakeholders were holding of the Stour Valley Park Project as a whole, its vision and intentions, as well as what would be its most appropriate role, structure and process to take on concerning governance within the existing web of stakeholders.

A second aim of the public workshops was to further engage the different stakeholders represented in direct conversations around what governance needs to look like for the SVP to be able to have the unifying and coordinating role it aspires to. Recognising the

importance of a collective process where stakeholders have an active role in the shaping of governance priorities and structure, these workshops were conducted knowing that defining a final structure would be premature, but that key principles and guidelines would emerge, together with recommendations for a desirable structure could be discerned from the process, providing the project with clear next steps. Participants were also keen to point to the complexity of the project as a whole, and to emphasize the need for patience, right pacing, and transparency of the governance process.

Participant numbers in all three workshop were between 30 and 40 individuals, with local councils, conservation organisations, associations, and residents represented.



## 12.2 Governance - Further Stakeholder Outreach

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### Workshop 1

Explored priorities and concerns around three central themes:

- Housing
- Recreation
- Conservation

#### Key takeaways

- Need for coordinated plan for development to prevent further degradation of river ecology
- Need to ensure recreational access is not further degrading river ecology
- Need for baseline ecological data to monitor changes over time
- Need to communicate and foster respect for nature
- Ambition should be to improve health of natural habitat

Governance role is primarily concerned with ecosystem protection and improvement, with potential development and recreational access needing to be subordinate.

### Workshop 2

Explored which stakeholders need to be involved in the governance of SVP, what common interests already exists, and potential implications of a steering committee in relation to other stakeholders.

#### Key takeaways

- Need to further develop stakeholder shared aims
- Need to clarify steering committee mandate
- Define key representative roles within steering committee (youth, conservation, committee professional)
- Need clarification on where funding is to come from
- Concern that project acts as smokescreen to get access to land for own gain

Governance should be built around identified shared stakeholder aims, with representatives potentially including external experts and youth representatives to strengthen intergenerational role. Developing trust is vital.

### Workshop 3

Explored candidate governance scenarios and potential implications of each of these.

#### Key takeaways

- No obvious benefit for the SVP to own land, and pushing to acquire land could cause undesirable frictions
- Land donation mechanism should be considered if there are landowners wanting to donate or lease long term
- Distinguishing between strategic (steering committee) and operational (partners/working groups) decisions useful
- Partnership model appears to both be least controversial in terms of park establishment, and could rally momentum through attraction over coercion

Governance is preferably based on a partnership model with voluntary participation. Participation is made attractive through different schemes and benefits made available as part of broader coordination work the SVP is part of. Regulatory requirements should define minimum ecological standard for land management.

## 12.3 Governance - Further stakeholder outreach

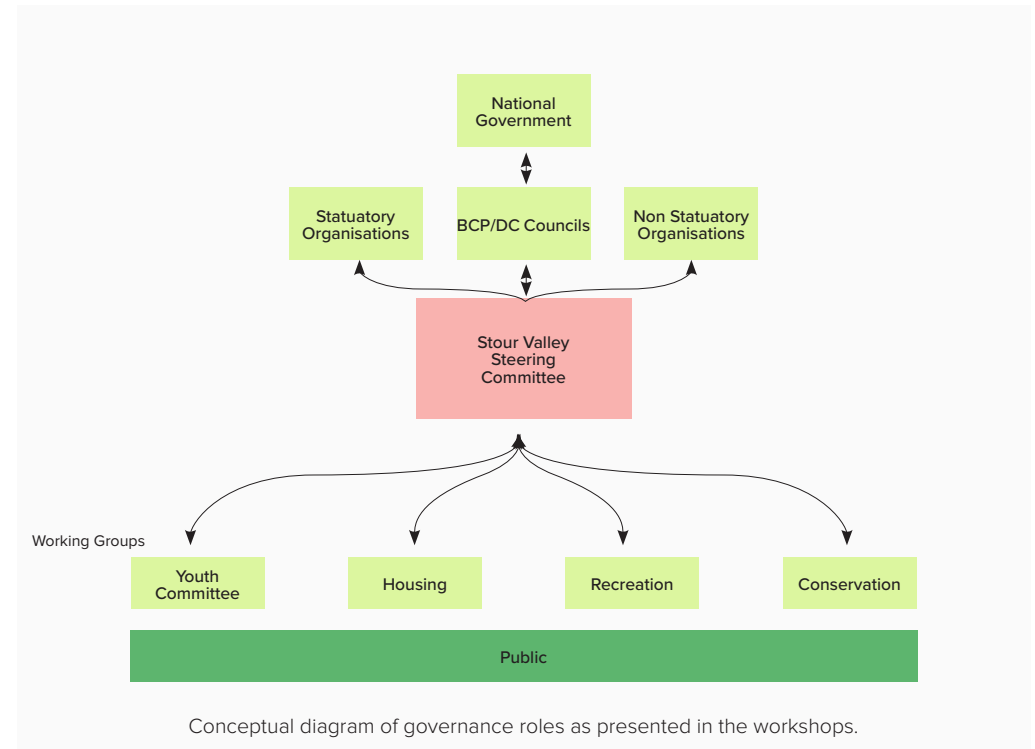
### Implications for governance process and structure

Evident from the public workshops is the strongly perceived need to improve the ecological health and functioning of the river Stour, its floodplains, and associated green spaces. A recurring theme was that development and recreation seem to be considered at the cost of conservation, and that this needs to change. This did not reflect a categorical exclusion of human use, but rather a wish that recreational and development interventions need to be happening in a way that treats the river, its floodplain and associated green spaces as a whole. We recommend - also based on the public consultations - that it is at this strategic level the Stour Valley Park as an entity has its focus.

The governance scenario that resonated most with participants was a partnership model, where a steering committee would act “on

behalf of nature”. This model was found to be appealing because it would be based on invitation rather than coercion, and it would build on the existing web of organisations and individuals already invested in the project to create a more formalised body and intent. A few inspirational examples were brought forward in the workshops, including the National Lobster Hatchery in Padstow, particularly for its collaborative work between researchers, local fishermen, and local community, as well as the Nature Partnership model.

Such a partnership model could take the form of a steering committee representing the participating stakeholders, which task would be to ensure the strategic interests of the stakeholders as a collective and those of the river, its floodplains, and associated green spaces as a whole. At the operational level, the existing partner organisations are well positioned to build



from in terms of addressing management and day-to-day concerns, with the park body enabling increased coordination and support where needed. This support would likely also involve the park acting as a broker for funding from government and other sources, and allocating these in the best interest of the park and its associated community as

a whole. This would be similar to a Nature Capital Trust<sup>1</sup> or a Common Assets Trust<sup>2</sup>, whose structures and mandates are worth exploring further with the stakeholders.

1 See <https://www.wenp.org.uk/wp-content/uploads/2018/07/NCT-Final-Report.pdf>

2 See [http://www.idakub.com/academics/wp-content/uploads/2020/12/2021\\_J\\_Costanza\\_CommonAssetTrusts.pdf](http://www.idakub.com/academics/wp-content/uploads/2020/12/2021_J_Costanza_CommonAssetTrusts.pdf)

### 13. Nesting and Combining Options

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This document is aimed at giving some starting points and useful ways of thinking about governance and legal structure options. Given that form follows function, further clarity over the business model for the Park, including income and other value flows and the ongoing revenue and capital costs, will help design a combination of governance and legal structures that will suit the Park.

In general, we would encourage the partnership group to build from the patterns of behaviour, engagement and stewardship that they are looking to engender at a local level, as well as the everyday money flows that will be involved in creating and maintaining a park at this scale. It may make sense to think about local engagement and stewardship in zones or areas that make sense to people at a local level. We would caution against being overly led by the finance model - any innovative financing must be in service of the social and environmental context of the park.

A key part of the governance design process will be a consideration of the levels of power and control that BCP/DC are willing to give away - both to the formal social sector, informal commoning and to the private sector.



## 14. Next Steps - Implementation Framework

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The following areas of activity define some next steps in the evolution of the Stour Valley Park.

1. Strategic Masterplan

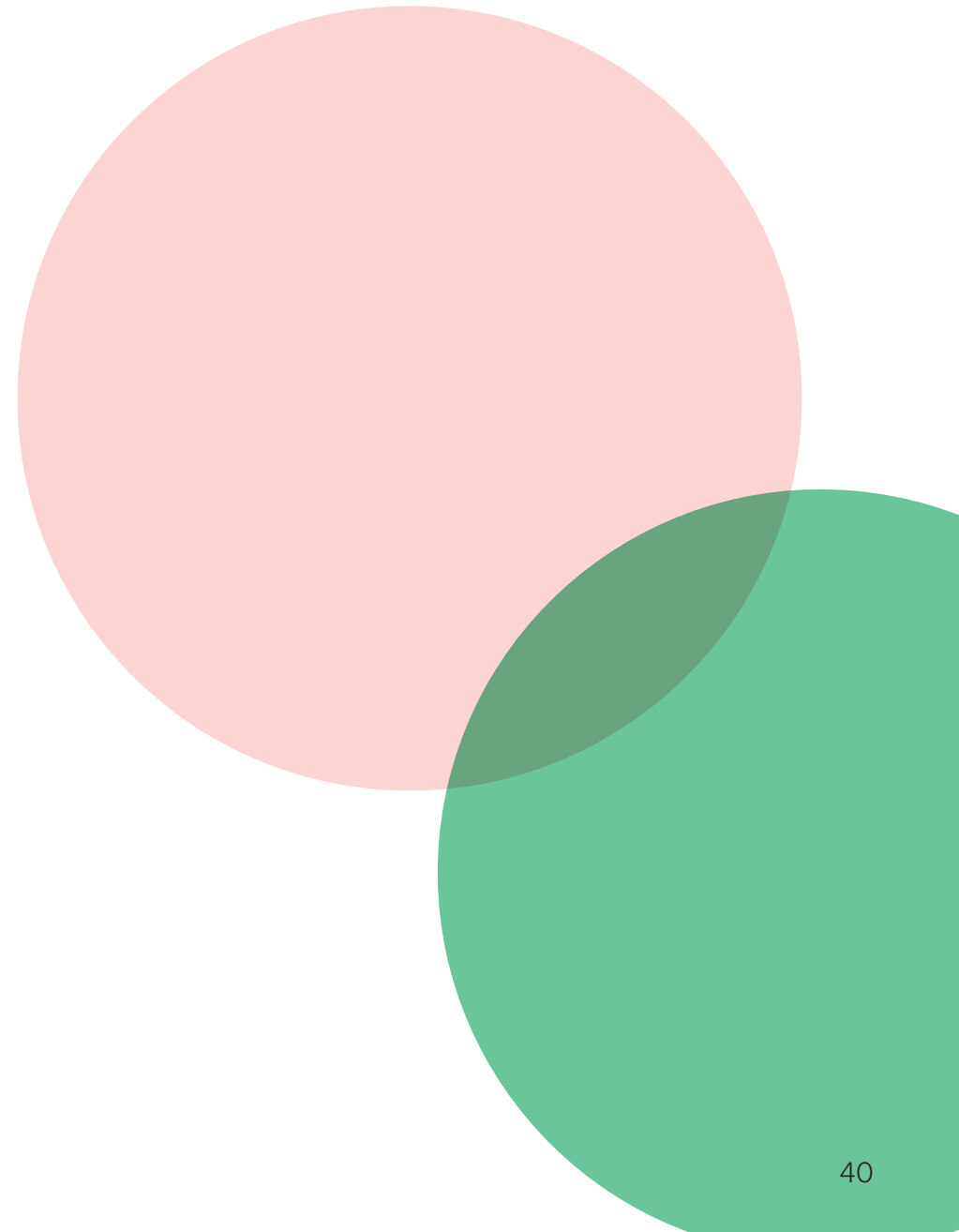
2. Business Case

3. Communications

4. Local Plans/Local Policy

5. Governance

6. Establishing a baseline





## 14.1 Next Steps - Implementation Framework

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### Strategic Masterplan

- Strategic Masterplan to support communications, funding, costing, management, limitations
- Break down the Park into 3 areas, define parameters
- Run a series of public workshops to evolve the masterplan for the park. In a co-design process

### Communications

- Continue with effective public communications via the website, mailing list and stakeholder groups
- Run public forums focused on key themes to identify public demand and opportunities for the Park
- Engage with schools and young persons seeking to bring them into the project
- Host a series of public lectures in the autumn to inform and inspire the locality
- Engage with landowners and farmers to define parameters
- Continue to remain open and transparent allowing and enabling participation at all stages from interested stakeholders

### Business case

- Explore and prepare a bid for the NEIRF 2022 round
- Explore and apply for potential funding streams 2022 onwards to cover core costs
- Get buy in/commitment from both Local Authorities to explore assets to leverage business opportunities
- Explore a baseline understanding of the business and operating model of the Park, including the risks and liabilities associated with it

### Establishing a Baseline

- Work with groups to explore and understand baseline ecology of the region - in a cohesive approach.
- Co-ordinate activity of research/ citizen science

### Local Plans

- Work with Local Authorities in developing appropriate level of representation of the Stour Valley Park in Local Plans to enshrine this project in policy.
- Supplementary planning document commissioned by LA's.
- Heathland Mitigation framework adapted to ensure asset transfer of SANG to Park partnership

### Governance

- Continue working to create the underpinnings of a healthy culture for the new governing body / organisation / partnership for the park through outreach and workshops
- Focus on exploring partnership models of governance appropriate to the park's vision and context
- Create or commission the creation of two or three potential governance options that could deliver this model, and that involve the key identified stakeholders
- Collaboratively critique and test those models to understand which is most likely to deliver the shared benefits that the project aspires to. This would be most effectively done in a workshop setting so that people with different experiences and perspectives could share thoughts



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