

Frequently asked questions on the Sustainable Development Fund (SDF)



What, exactly, are the rules applying to the funding of projects?

1.1 General Principle

The whole idea behind these rules, as they apply to SDF, is to get local communities in and connected to the AONB to buy into the objectives of AONB SDF projects and prove their commitment through cash or help in kind. Without this, it is often hard to get their ownership and keep their commitment. This is useful for when things go well, as well as for when they go wrong. For this reason, the percentage level of Treasury support for SDF projects may differ depending on who 'owns' the project.

1.2 Voluntary sector / private sector ownership

Local community groups and other voluntary bodies, or private individuals or bodies, who take ownership of an SDF project— i.e. the grant cheques are paid to them—should expect to be asked to look for additional sources of funding. If they can't find additional funding or are declined it, and their projects nevertheless fulfil the SDF criteria, then grant panels have the flexibility to fund them to up to 75 per cent, taking the remaining 25 per cent as funding or in-kind contributions from the voluntary organisation. The 'up to' is important: project owners should see their 25 per cent contribution as a minimum rather than maximum figure. What is being sought is long-term commitment to projects. In exceptional circumstances—eg a one-off purchase—grant panels could decide to offer up to 100 per cent funding.

Examples of the voluntary sector

Voluntary/local community bodies/Charities
National Trust
Rural Community Councils
Wildlife Trusts
Parish Councils

1.3 Exchequer body ownership

If ownership of the project is led by an Exchequer organisation, the total contribution from exchequer sources (including the SDF contribution) must not exceed 50 per cent of eligible costs. In other words, the Treasury shouldn't be paying for everything by just putting together funding from different Exchequer sources. The rules governing contributions in-kind still apply: the 50 per cent funding can be matched by 50 per cent in-kind contribution. Similarly, match funding from non-Exchequer sources is permissible.

Examples of an Exchequer-funded body

Natural England
Defra
Historic England
Natural England
Environment Agency
Forestry Commission

1.4 Public body ownership

If a project is owned by a public body which is not deemed to be Exchequer funded, it may match funds provided by that body with up to 50 per cent from SDF or any other Exchequer source. Public bodies should not be offered funding for projects for which they would ordinarily or statutorily be responsible. Public bodies not deemed to be Exchequer funded include:

Local Authorities (incl National Park Authorities/AONBs)
National Lottery Funds

European Funds (although some may have restrictions of their own)
Education Authorities
Hospital Trusts

1.5 Examples

A. North Dorset District Council want to lead an SDF project worth £6K. They apply to SDF for support, asking for £3K to match their £3K. Technically, this is a permissible project (NBDC is a public body), although the community buy-in here appears to be non-existent. It is hoped that NBDC would be sent back to identify a significant element of community buy-in—eg a strong in-kind contribution.

B. Ambridge Volunteers Club wants to lead an SDF project worth £6K. It has £1.5K from the Environment Agency and applies to SDF for £3K to match the club's in-kind contribution of £1.5K. The project would be owned and run by a voluntary sector group, so Exchequer funding worth 75 per cent of the project is permissible.

2 What is the timetable for claims?

Defra will pay grant for SDF project work authorised by AONB grant panels carried out up to and until 31 March in any given financial year – there is no scope for roll-over. SDF grant recipients must have completed the work they are claiming for by early March and must submit a claim to the AONB as soon as they can after that to enable the AONB to complete the accounting by the end of March. The AONB unit will normally apply a local completion date to enable grants to be processed within the financial year.

On receipt of these claims, the AONB unit needs to satisfy itself that the work claimed for has taken place, before then authorizing payment of the claim by its hosting Local Authority. The responsible person from the AONB will need to verify that the work has taken place. In addition, applicants will be expected to complete a report and provide evidence of costs incurred or in kind support provided. The AONB's will submit a claim to Defra thereafter through their normal financial procedures. All claims need to be submitted with a final report on all SDF projects as currently happens for normal AONB budget claims.

3 Can SDF fund posts?

Yes. In principle, it is up to an AONB grant assessment panel to decide whether it wants to commit funds to posts, as long as the panel is clear to ensure that AONBs cannot commit themselves to more than one year funding of a post (or anything else, come to that). Defra at the moment can't guarantee the funding beyond the current financial year.