

## North York Moors National Park Authority Special Authority Meeting

18 February 2016

### National Parks Partnership

#### 1. Purpose of the Report

- 1.1 To reaffirm the North York Moors National Park Authority's commitment and membership of the National Parks Partnership (NPP) in light of a change to its intended legal basis.

#### 2. Background

- 2.1 In March 2015 Members approved a paper on the establishment of National Parks Partnership Ltd. Members resolved that the Authority should become a member of the organisation which was to trade as a fundraising and brand/profile entity for National Parks as a Company Limited by Guarantee (CLG).
- 2.2 Members agreed that the Authority should become a signatory to the Members' Agreement that binds all 15 of the UK National Park Authorities to the new Partnership.

#### 3. National Park Partnership

- 3.1 It has now been proposed to establish a Limited Liability Partnership rather than a CLG. The members of the Partnership would still be the 15 National Park Authorities in England, Wales and Scotland.
- 3.2 The Partnership would be run by a Board of Directors (see **Appendix 1** for composition). This Board is appointed by the members (the NPAs) and is accountable to these members. The chair of this Authority led the English input to making recommendations on the membership of the Board.
- 3.3 The key purpose of the Partnership is to seek, negotiate and secure publicity and financial support, in order to promote National Parks and to pass the proceeds back to the NPA members. (The recent Airwick sponsorship reached a large proportion of the UK population and also generated a small amount of cash for each National Park). The current Articles anticipate Partnership profits being distributed to NPA members in equal shares. All Members would be expected to try to ensure that non-cash benefits (especially publicity) would be distributed as fairly as possible. Budgetary provision has already been provided for the start-up and year one costs. This is £150k and each of the 15 NPAs has contributed £10k to this sum, with a potential second contribution of another £10k, which Members have already approved (after this the organisation was expected to be self-funding).

#### 4. **Recent Changes**

- 4.1 The decision to change the legal basis of operation comes from further professional advice provided to National Parks UK (NP UK) which indicates that establishing a Limited Liability Partnership, which is a different legal entity to a Company Limited by Guarantee, would be a more suitable vehicle.
- 4.2 The advice and the implications of this advice were considered by the National Parks UK Finance & General Purposes Committee in July 2015, chaired by Peter Charlesworth the Yorkshire Dales National Park Authority's Chair. In summary the tax advice received indicated that an LLP model would be more tax efficient than a CLG model. This is because the CLG model would be liable for Corporation Tax; a LLP would not. Each NPA would have a share of profits from the LLP which would form part of their own income and therefore be exempt from Corporation Tax under the Crown Exemptions. At the same time the Partnership model should be as effective a vehicle at promotion of the National Parks and achievement of the second purpose.
- 4.3 The Chief Executive presently awaits confirmation from those leading this initiative that the proposed LLP arrangement will accord with recent changes made to the Environment Act 1995.

#### 5. **Financial Implications**

- 5.1 The financial liability of the North York Moors National Park Authority is limited to the £20k approved by Members to support the establishment of the Partnership. £10k of this has been paid – the remainder will be on satisfactory progress. The North York Moors NPA will be a member of the LLP and the Partnership will have a number of governance requirements attached to it, as it is wholly controlled by National Park Authorities.

#### 6. **Recommendation**

- 6.1 That the North York Moors National Park Authority reaffirms its commitment and membership of the National Park Partnership on the basis previously agreed but as a Limited Liability Partnership and authorises the Chief Executive, in consultation with the Chairman, to complete the necessary documentation subject to them receiving confirmation that the proposed LLP arrangement will accord with recent changes to the Environment Act 1995.

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Chief Executive  
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#### **Background papers to this Report**

#### **File ref**

1. NPA Committee Paper - Establishment and Membership of National Parks Partnerships Ltd 23 March 2015

**Composition of National Parks Partnership Ltd – Board**

Tim Barclay, Chief Operating Officer, BT Global Government & Health

Catherine Hawkins, Founder, Think!Sponsorship

John Kennedy, Chief Operating Officer, MOO.com

Kristine Olson-Chapman, Commercial Director, Talk Talk Group

Julian Atkins, Director of Countryside & Land Management, Brecon Beacons NPA

Stephen Curl, Member Lake District National Park Authority

Sir Peter Dixon, Vice Chair Broads Authority

Peter Harper, Chairman Dartmoor NPA

Mark Holroyd, Transport & Tourism Manager, New Forest NPA

Tony McInnes, Head of Commercial Development, Loch Lomond & The Trossachs NPA