



**BRIT
VALLEY
PROJECT**



**WEST DORSET
WILDING**

West Dorset Wilding

Brit Valley Project

Governance and Development of a

Single Legal Entity

Final Report - May 2025

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1. Introduction

1.1. Project Background

The Brit Valley Project is a collaborative initiative between more than 50 farmers and landowners in the wider Brit catchment, incorporating land around the Brit, Simene and Asker Rivers, and the Mangerton Brook in West Dorset.

The aim of the project is to support land managers to make collective and coordinated large-scale changes in land and water management practices to allow nature to recover and thrive. The project intends to create more space for nature alongside sustainable farming practices, using the principle of the right solution in the right place. There are currently more than 50 farmers and landowners involved, and land covering nearly 8,000 acres has been earmarked for the scheme, representing over 35% of the catchment.

Managed by West Dorset Wilding and funded by Defra under their Landscape Recovery Programme, this project development phase is scheduled to last two years, culminating in a set of plans for the subsequent 20–30 year project implementation.

The Brit Valley Project is currently managed as a grant-funded initiative of West Dorset Wilding. However, Defra are expecting the project to eventually be partner-led and delivered through a separate Single Legal Entity (SLE). West Dorset Wilding is not considered the appropriate SLE to take the Brit Valley Project forward over the longer-term, not least because some of the proposed commercial activity is unlikely to be compatible with its charitable objects. Given this, West Dorset Wilding required consultancy support with extensive experience in developing and establishing social enterprises or other forms of public benefit corporate bodies to undertake an options appraisal as to the type of SLE required to successfully deliver the Brit Valley Project.

Following an open tender process Mark Cotton Consultancy (MCC) was appointed to provide governance consultancy support which would enable the Brit Valley Project partners to explore and identify the best and most appropriate option for the creation of the SLE.

1.2. Consultancy Scope

West Dorset Wilding required that the consultancy consider the following:

- Corporate entity - explore whether the SLE should be a company (for profit or not for profit) limited by shares or guarantee; a Community Interest Company; a Cooperative; a Charity or other entity not considered here.
- Relationship to West Dorset Wilding - help to decide whether the SLE is created either as a special purpose vehicle or other subsidiary body, or as a standalone organisation linked through heads of terms, service level agreement, memorandum of understanding, or other agreement type.
- Corporate ownership and/or internal governance - with more than 50 landowner/farmer partners in the project there is a need to determine their level of participation in the corporate governance, whether as members, shareholders, clients or other.
- Income and expenditure - the primary income is likely to come from Defra, with payments made to farmers/landowners who follow their pre-agreed approaches to improving nature on their land. However, there is also an expectation to bring in private finance, so the SLE needs to be able to enter into contracts and agreements with organisations who are either looking to invest in nature or 'buy' ecosystem services through credits or units. Commercial income through products and services is also important.
- Loans and investments - it may be that the SLE needs to draw in finance through either debt or equity arrangements to achieve part of its goals. This might be, for example, to purchase or lease machinery that can be hired by multiple project partners and others not in the scheme.

- Leadership - guidance on leadership for the new SLE is key. This will include advice in terms of directors, roles, voting, accountability mechanisms, and the appointment of an executive staff team.
- Profits, benefits, and motivations - the consultancy should consider that whilst all of the project partners will look to gain financially from this project through payments for work undertaken to improve nature, these payments are for ecosystem services provided and allow for an element of income forgone from choosing to farm in this way. The payments are also the replacements for older agricultural subsidies and can be seen as public money for public goods. This underlies the project's overall ethos, rather than personal gain, and must be considered when exploring the SLE options.

1.3. Schedule

West Dorset Wilding required the consultancy work to be completed between Jan and Apr 2025 with the following schedule and milestones agreed:

- Scoping Phase - Inception meeting, desk based research, and options appraisal (16th-22nd Jan).
- Steering Group Meeting - Options appraisal presentation and discussion (27th Jan).
- General Meeting - Project Partners to review underlying SLE principles and attributes (26th Feb).
- Governance Workshop - Project Partners to review criteria and options and agree on appropriate SLE form (31st Mar).
- General Meeting - Presentation of recommended SLE form to wider Project Partners group (23rd Apr).

2. Final Report

2.1. Options Appraisal

During the initial scoping phase a longlist of potential SLE options were developed by MCC and presented to the Brit Valley Project Steering Group at a meeting in January.

At this meeting it was agreed that the future success of the Brit Valley Project relied on a number of key attributes shaping the governance model and that these key attributes should inform the creation of an appropriate, fit for purpose, and future proofed SLE. The Brit Valley Project SLE should be:

- Straightforward and simplistic
- Open and transparent
- Incorporated and with limited liability
- Able to trade commercially for the benefit of both the project and its members
- Able to be a broker of private finance and a conduit for Defra funding

Additionally, three key principles were identified that should underpin the new organisation:

- It should be based on a model of shared ownership
- Be controlled by its members
- And have social and environmental purpose(s) enshrined within its governing document

Feedback from the General Meeting in February supported a number of key criteria:

- Any structure should remain true to the principles of shared ownership, membership control, and social and environmental purpose(s)
- The SLE should be based on a model of elected committee or board of directors, drawn from a wider but limited membership of project partners, and supported by a staff team with delegated responsibility for the operational management and delivery of the project
- The majority of profits or surplus funds should be reinvested back into the organisation rather than distributed for private gain
- Any distribution of dividends or interest on capital should be subject to capping at an agreed level

- Governance should be based on a one member, one vote system
- A reserve fund should be created to ensure the long-term sustainability of the organisation for future generations
- Revenue generating commercial activity is encouraged, particularly if it supports the social and environmental purpose(s)

2.2. Options Consideration

Through the process of selecting options for consideration at a workshop held in late March a number of legal forms, including Charitable Company, Charitable Incorporated Organisation (CIO), and Community Interest Company (CIC) were dismissed on the basis that they either would not fulfill or meet the aforementioned attributes, principles, or criteria, or were just considered inappropriate due to some of the inherent disadvantages of such models:

For example, whilst a charity structure in the UK comes with several advantages, it also comes with some disadvantages, such as limited commercial opportunities as charities are restricted in their ability to carry out commercial activities and trading only allowable if it directly supports the charity's objectives; otherwise, a trading subsidiary may be required, adding complexity. Equally some funding sources (such as equity investment) are unavailable to charities because they cannot distribute shares/profits to investors, and relying on grants and donations can make long-term financial sustainability challenging.

A purely shareholder driven, commercial, limited liability company model was also ruled out as this didn't seem to fit the principles of shared ownership, member control, and being driven by social and environmental purposes.

Taking into account the attributes, principles, and criteria, two options were proposed for further discussion at a governance workshop in March; an SLE based on the traditional and time-tested Co-Operative Model, and a second option based on a more recent SLE innovation, the Steward Ownership Model.

2.3. Options Recommendation

After thorough and robust consideration by project partners at the Governance Workshop in March it was agreed that the Co-Operative model was deemed the most appropriate SLE form for both the current and future needs of the Brit Valley Project.

At a subsequent General meeting in April this was presented to the wider project partners group where it was recommended that Co-Operative model be taken forward as the preferred SLE form for further scrutiny by the Brit Valley Project legal and green finance partners before work is commenced on the detailed governing document/constitution and the subsequent incorporation.

This concluded the Brit Valley Project Governance Options Appraisal.



Mark Cotton
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6th May 2025