

12. **FARMING IN PROTECTED LANDSCAPES (SLF)**

Purpose of the report

1. The purpose of the report is to: -
 - update Members on progress with the Farming in Protected Landscape (FiPL) programme and
 - to seek approval for the temporary suspension of standing order 7.C-3 in relation to the FiPL programme only so that it can be delivered in line with Defra's requirements as set out in the FiPL National Framework (NF) without the need to duplicate authorisation of individual grant awards.

Key issues

2.
 - The Farming in Protected Landscapes (FiPL) programme has been created by Defra and it forms part of the Government's Agricultural Transition Plan. It will provide funds to allow farmers and land managers to work with Protected Landscape organisations (National Park Authorities and Areas of Outstanding Natural Beauty (AONB) teams) to provide benefits for nature, climate, people and places. The programme will run from mid-2021 to April 2024.
 - The FiPL programme is an important and timely opportunity for Protected Landscapes (National Parks and AONBs) to demonstrate how a local flexible approach to support programmes for farmers and land managers can deliver practical outcomes to support National Park purposes and objectives including, but not limited to, nature recovery and climate action. It highlights the potential role of the Protected Landscapes organisations and their Management Plans in the delivery of future support schemes.
 - At the Authority meeting on the 19 February 2021 (Min No 8/21) Members approved the 2021/22 budget, which included acceptance of FiPL funding.
 - The FiPL Programme National Framework (NF) was confirmed and shared with Protected Landscapes on the 17 June 2021 and while there may still be some minor tweaks it is understood that the headline content is not likely to change. The NF requires allocations to be made, committed and spent in year. The NF also requires any grant applications that are over £5,000 and under £250,000 to be approved by a FiPL Local Assessment Panel (LAP).
 - Standing Orders require any grants over £30,000 paid by the Authority to be approved by Members, This would mean having two authorisation processes for grants over £5,000. Such duplication would significantly slow down the awarding process, hinder the smooth delivery of the programme and not be consistent with the NF requirements for the LAP. It is therefore proposed that relevant Standing Orders be temporarily suspended for the FiPL programme only and the NF requirements be followed instead.
 - In order to align the FiPL Programme with the annual grant funding agreements under which this programme is being delivered, this programme will be delivered under the same powers. [Section 72 of the Environment Act 1995](#) will be applied which enables the Secretary of State to make grants to a National Park Authority for such purposes, of such amounts and on such terms and conditions as he thinks fit. These powers will be applied in pursuit of the statutory purposes of National Parks. Onward agreements with grant recipients will be under the powers given to National Parks under Section 65 of the [Environment Act 1995](#).

Recommendations

3.
 1. **To note the progress and current position on the Farming in Protected Landscapes programme.**
 2. **To temporarily suspend the operation of Standing Order 7.C-3 for the delivery of the Farming in Protected Landscapes programme, and to adopt the requirements set out in the National Framework document for the authorisation of grants under that programme.**
 3. **To delegate authority to the Chief Executive Officer or their nominee to complete grant agreements authorised in accordance with the National Framework, in the standard form provided within the National Framework documents.**
 4. **To appoint the Member Champion for Natural Environment, Biodiversity and Farming to the Local Assessment Panel and for it to be an approved duty for the purposes of travel and subsistence.**

How does this contribute to our policies and legal obligations?

4. **National Park Management Plan.**

FiPL will be able to contribute to maintaining and enhancing all seven Special Qualities and in particular Special Quality 1 - Beautiful views created by contrasting landscapes and dramatic geology, Special Quality 2 - Internationally important and locally distinctive wildlife and habitats, Special Quality 4 - Landscapes that tell a story of thousands of years of people, farming and industry, Special Quality 6 - An inspiring space for escape, adventure, discovery and quiet reflection and Special Quality 7 - Vital benefits for millions of people that flow beyond the landscape boundary. It will also be able to contribute to Areas of impact 1 – Preparing for a future climate, 2 - Ensuring a future for farming and land management, 3 - Managing landscape conservation on a big scale, 4 – A National Park for everyone, 5 - Encouraging enjoyment with understanding and 6 - Supporting thriving and sustainable communities and economy.
5. **The Corporate Strategy.**

FiPL will be able to contribute to many of the outcomes and Key Performance Indicators (KPI's) in particular: -

A sustainable landscape that is conserved and enhanced: -

 - Distinctive landscapes that are sustainably managed, accessible and properly resourced - KPIs 1, 2 and 3.
 - High quality habitats in better condition, better connected and wildlife rich through nature recovery networks – KPI's 4, 5, 6 and 7.
 - Cherished cultural heritage that is better understood and looked after – KPI's 8 and 9

A National Park loved and supported by diverse audiences: -

 - Greater audience reach among under-represented groups – KPI 11.
 - A strong identity and excellent reputation driving positive awareness and engagement – KPI 12.

Thriving and sustainable communities that are part of this special place:-

 - Influencing and shaping the place through strategic and community policy development – KPIs 15 and 16.
 - Community development connecting people to place through active participation, events and sustainable projects – KPI 17.

6. **National Parks England.**
In addition FiPL will help to deliver the ambitions articulated in National Parks England four collective Delivery Plans - Wildlife and Nature Recover, Climate Leadership, Sustainable Farming and Land Management and Landscapes for Everyone ([National Parks Collective Vision and Priorities : National Parks England](#)).
7. **The Landscapes Review.**
At the time of this report being sent to Members the Government's response to the recommendations of the Landscapes Review is still awaited although this is considered to be imminent. However FiPL seems to be an initial step towards supporting some of the recommendations in the report.

Background

8. In November 2020 the Government published '[The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024](#)'. This document set out the key changes to agricultural policy in England that would be made from January 2021 through to 2027 - a seven year transition away from EU-based rules and payment systems towards a new system for England focused on paying farmers for delivery of public benefits such as environmental management and improvement. As part of this transition the Basic Payment Scheme (BPS) will be reduced and then removed, existing agri-environment schemes will close and a new system introduced comprising of:
 - Environmental Land Management – this will comprise of three schemes. The Sustainable Farming Incentive is being piloted in 2021, Local Nature Recovery will start (in pilot form) in 2022 and Landscape Recovery pilots will commence in 2021.
 - Grants and other help to improve productivity and prosperity.
 - A new approach to farming regulation and enforcement.
9. '[The Path to Sustainable Farming](#)' contained a commitment to introduce a new Farming in Protected Landscapes programme to commence in 2021 and run until end of March 2024. The commitment was to provide funding through the Protected Landscapes bodies to support farmers, particularly upland farmers (75% of whom live and work in Protected Landscapes). The funding was to be for farmers and other land managers to make improvements to the natural environment, cultural heritage and public access on their land. '[The Path to Sustainable Farming](#)' envisioned that the money would provide funding for farm-level projects to diversify incomes and prepare for Environmental Land Management; and wider infrastructure and projects on farmland, to support farmers and rural economies.
10. FiPL was also part of the [Spending Review 2020](#). The commitment in the Spending Review 2020 to "increase the funding for National Parks and AONBs to more than £75m".

FiPL the current position

11. FiPL now has formal approval and all 44 Protected Landscapes (National Parks and Areas of Outstanding Natural Beauty) have received confirmation of their provisional allocations for 2021/22. The approved version of the National Framework was received on the 17 June 2021. The formal launch of the programme when the

overall details and the programme funding per Protected Landscape for 2021/22 will be in the public domain is still awaited but is imminent.

12. The National Framework will be the 'operating manual' for FiPL providing information on how the programme will operate, subsidy control etc.
13. The PDNPA's provisional allocation for 2021/22 for grants to farmers and land managers is circa £1.2 million. Please note that this is the highest provisional allocation being given to all of the Protected Landscapes.
14. Defra has asked all Protected Landscape organisations to confirm that they wish to participate in the FiPL programme for 2021/22.
15. At the Authority meeting on the 19 February 2021 Members approved the acceptance of FiPL funding (Authority minute no. 8/21 records that Members note that the Authority's revenue budget may need to be adjusted once the National Park Grant (NPG) for 2021/22 and details of the Farming in Protected Landscapes proposals are known, and authority to undertake any necessary modifications and acceptance of further funding is delegated to the Chief Executive in consultation with the Head of Finance and Head of Law).
16. The Chief Executive Officer has therefore confirmed the Authority's intention to participate in FiPL.
17. The acceptance of the further funding will be by way of a variation to the Defra core grant agreement, and this will need to be accepted subject to the terms of both the core grant agreement and the requirements of the FiPL NF documents.
18. It is understood that Defra hope that FiPL be referenced in the Written Ministerial Statement, with a light touch launch of FiPL at a national level on Thursday the 24th June and that the go live date for applicants will be 1 July 2021. These dates are subject to confirmation.

What is FiPL and how will it operate?

19. **Summary**

FiPL is a three year programme providing funding for projects, it is not a new agri-environment scheme and will be complementary to not in competition with existing national schemes. Grants will be awarded to support projects under four priority themes Climate, Nature, People and Place. It will operate at the level of an individual National Park or AONB, though there is the opportunity for Protected Landscapes to collaborate and Defra are keen to support this. Defra have confirmed that FiPL is a three year programme but have not yet provided detail on allocations for years 2 and 3.
20. **Eligibility**

FiPL will be open to all farmers and land managers in a protected landscape – or where activity on the ground can bring benefit to one or more of those areas. Other organisations and individuals can apply, as long as they do this in collaboration with a farmer(s) or land manager(s), or in support of a farmer or group of farmers.
21. Applicants must complete an application form and for 2021/22 the application window will run from 1 July 2021 to 31 January 2022. Funding will be awarded to successful applicants throughout the application window, rather than after the window closes. Applicants are strongly encouraged to discuss potential applications with the relevant protected landscape team before submitting.

22. Protected Landscape advice and guidance is to support good quality applications, integration, landscape scale action and to engage with 'harder to reach farmers'. Applicants must demonstrate the link to local priorities as well as to the national outcomes.

23. **Outcomes**

FiPL will pay for projects that provide and meet at least one of the outcomes listed below, under four themes: -

Climate outcomes

- More carbon is stored and/or sequestered
- Flood risk is reduced
- Farmers, land managers and the public better understand what different habitats and land uses can store carbon and reduce carbon emissions
- The landscape is more resilient to climate change

Nature outcomes

- There is a greater area of wildlife rich habitat
- There is greater connectivity between habitats
- Existing habitat is better managed for biodiversity
- There is an increase in biodiversity

People outcomes

- There are more opportunities for people to explore, enjoy and understand the landscape
- There are more opportunities for more diverse audiences to explore, enjoy and understand the landscape
- There is greater public engagement in land management, such as through volunteering
- Farmers and land managers feel increasingly comfortable with providing public goods

Place outcomes

- The quality and character of the landscape is reinforced or enhanced
- Historic structures and features are conserved, enhanced or interpreted more effectively
- There is an increase in the resilience of nature friendly sustainable farm businesses which in turn contributes to a more thriving local economy

Projects must also deliver against the relevant protected landscape Management Plan and each protected landscape needs to clarify these objectives on the FiPL pages of their website.

24. **Process**

FiPL grants will be awarded to support projects under the four themes referred to above. The priorities, application process, application form, scoring process, assessment process and grant agreement are all set out in the NF. Project grants can range from a few hundred pounds up to a maximum of £250,000. Applications for grants under £5,000 will be assessed by an Authority Chief Executive Officer or their nominee. Grant applications for more than £5,000 will need to be assessed and approved by a LAP. More details about how grant applications will be assessed and approved; and how it is proposed to ensure that the Authority's standing orders and the FiPL NF LAP requirements work in an efficient and effective way are set out in paragraphs 30 to 37 below.

25. **The Local Assessment Panel (LAP)**

The LAP should generally comprise of between 8 to 12 persons and farmer/land manager led. It will include representatives from the farming and land management community, Natural England, the relevant protected landscape and other specialists. Whilst guidance for the LAP is provided in the NF there is flexibility for the approach so that the LAP can be developed to suit each Protected Landscape. FiPL will pay for projects that, in the opinion of the LAP provide value for money and meet at least one of the outcomes listed above.

26. For the Authority the proposal is to base the LAP on the Peak District Land Manager's Forum Brexit sub group which has already developed ideas for a new support system post Brexit and been involved in shaping the Environmental Land Management Test and Trial which is being delivered by the Authority. Three members of this existing group also have experience of assessing applications for the LEADER Programme Assessment Panel. In addition it is proposed to include the Authority's Member Champion for Natural Environment, Biodiversity and Farming and to have nominated specialists for example from the Rural Payments Agency, Local Access Forum, Historic England, Wildlife Trusts, Forestry Commission and the Environment Agency who may also provide input as required. The LAP will need to meet at least every eight weeks during the application window.

27. **Intervention rates**

If an applicant will not make a commercial gain through a project, they could receive up to 100% of the costs. Where an applicant would benefit commercially from a project, they could receive between 40% and 80% of the costs through the Programme, depending on how much commercial benefit the project will give them. LAPs have flexibility to determine the intervention rate with advice from the relevant FiPL officer(s).

28. If an activity is equivalent to one under Countryside Stewardship (CS), the Programme payment rate will be the same as the CS rate. If not, then the Programme funding offers will be based on the projected costs of an activity (with final payments made against evidenced costs). This approach maximises flexibility but also places a heavy onus on the LAPs and FiPL officers to advise on and assess value for money.

29. **Maintenance requirements**

FiPL can provide for some forms of on-going maintenance. Capital infrastructure assets such as fencing and gates and machinery assets will need to sign a maintenance agreement for 5 years and not be eligible for any ongoing management payments. It is understood that the requirement to maintain natural, cultural and access activities (for example, management or restoration of species rich grassland, restoration of a limekiln) delivered as part of programme will cease no later than 1 April 2024.

30. **How grants are to be assessed and approved.**

1. Grants of under £5,000: -

- Assessed and given a provisional score by the FiPL Engagement Officer or Authority Farm Adviser working with the applicant.
- The applications and provisional score will then be considered by the Chief Executive Officer or their nominee who is at least one grade above the staff appointed to deliver FiPL and who has no involvement or connection with the applicant.
- The Chief Executive Officer or their nominee will need to approve the application for the grant to be offered.

- Approved applications will be implemented by the Authority
- The approved grant offers would be reported to the FiPL Local Assessment Panel (LAP).

This is in line with the Authority's Standing Order 7.C-3 which provides for grants up to £30,000 to be authorised by Head of Service (or Chief Executive Officer as deputy).

31. 2. Grants from £5,000 to £250,000: -
- Assessed and given a provisional score by the FiPL Engagement Officer or Authority Farm Adviser working with the applicant
 - The applications and provisional scores will then be considered by the FiPL LAP which will make the decision to approve or not
 - Approved applications will then be implemented by the Authority as above

As mentioned above our standing orders currently provide that grants up to £30,000 can be authorised by Head of Service (or Chief Executive Officer as deputy), and over that requires Committee approval. Unless standing orders are temporarily changed for the FiPL programme, this would mean that grants between £5,000 and £30,000 would need to be approved both by the LAP (to comply with the FiPL NF requirements) and by the relevant Head of Service or Chief Executive Officer (to comply with standing orders). Grants above £30,000 would need to be approved both by the LAP (FiPL requirements) and Committee (standing orders).

Proposals

32. As stated above, to comply with the FiPL NF, grants under £5,000 are to be authorised by the Chief Executive Officer or their nominee, and grants from £5,000 to £250,000 are to be authorised by the LAP.
33. In addition to these authorisations, the Authority's standing orders would also need to be complied with. Standing Order 7.C-3 delegates authority to award grants of up to £30,000 to the relevant Head of Service or Chief Executive Officer as deputy. Grants over £30,000 need Committee approval.
34. This would mean that grants between £5,000 and £30,000 would need to be approved both by the LAP (to comply with the FiPL NF requirements) and by the relevant Head of Service or Chief Executive Officer (to comply with standing orders). Grants above £30,000 would need to be approved both by the LAP (FiPL requirements) and Committee (standing orders).
35. Given the specific requirements for authorising the FiPL grants under the NF, it is considered that complying with standing orders in addition to those requirements would make the scheme cumbersome and would inhibit the efficiency of awarding grants. It is therefore recommended that there is a temporary suspension of the operation of standing order 7.C-3 for the delivery of the FiPL programme only, and that grants under the scheme are authorised solely in accordance with the FiPL NF as set out above. This will ensure the smooth and efficient running of the programme.
36. In addition, to further promote the efficient delivery of the programme, it is recommended that the completion of the grant agreements following authorisation of the award of the grants in accordance with the NF requirements should be delegated to the Chief Executive Officer or their nominee. Defra have provided a template for

grant agreements within the NF, and it is therefore suggested that provided this template is used there should be no requirement for the agreements to be signed by the Head of Law/Assistant Solicitor, as is the normal requirement for Authority agreements. Such an additional step would further delay the grant-awarding process and is deemed unnecessary in this case.

Are there any corporate implications members should be concerned about?

37. **Financial:** As in paragraph 13 above the PDNPA's allocation for grants to farmers and land managers in 2021/22 is circa £1.2 million. However, currently projects will need to have been completed, the grant claimed and paid by the Authority by the 31 March 2022 if the full allocation is to be used. Please see the section on risk management below.
38. Defra have confirmed that FiPL is a three year programme but have not yet provided detail on allocations for years 2 and 3.
39. **Risk Management:** There are four main risks: -
- **Programme design and spend** – whilst FiPL is a three year programme the allocation for 2022/23 and 2023/24 has not yet been confirmed and there is no flexibility on year spend. At present, the allocation for 2021/22 has to be spent within the financial year or returned to Defra. Spend means projects approved, works completed and claims paid, committed spend cannot be included. Defra has been asked to reconsider and accept committed spend for 2021/22 and 2022/23. Delays to launching the programme have increased the risk/problem but this has been a 'red line' from a Defra so far.
 - **Core grant** – there is a risk that Defra will use the FiPL investment to state that they have increased the funding for National Parks and AONBs. Even at an area level this is simplistic as it ignores the impact of reductions in agri-environment coverage and spend and Basic Payment Scheme reductions. At the Authority or organisation level, it ignores the fact that National Park core funding has been cut (in real terms) despite the recommendation in the Landscapes Review. If Defra face future cuts they could reduce National Park core funding, retain FiPL and claim rightly that the funding is still increased compared to pre-Brexit/Landscapes Review.
 - **Governance** – FiPL is a national initiative but it needs to be delivered within the Authority's own governance arrangements subject to the requirements of the NF. Each Protected Landscape organisation has the flexibility to accept or decline the offer to be involved but if any do 'opt out' it weakens the Protected Landscape position and strengthens arguments for a centralist service.
 - **Reputation** – there is a reputational risk for all Protected Landscapes if the FiPL programme is not delivered well, especially in the first year of the programme due to the delayed launch of the programme as described above. This is perhaps particularly so for the Peak District National Park as it has the largest provisional funding allocation of all 44 Protected Landscapes.

The above risks have been shared with other Protected Landscapes and mitigation measures continue to be pursued by the Lead National Park Chief Executive Officer for Agriculture and Rural Development and the other Protected Landscape representatives on Defra's FiPL Core Working Group. Other mitigation measures are already in place for the Peak District for example prioritising the work of the Authority's existing Farm Advisers on working with farmers and land managers to explore the opportunities this new programme brings and develop applications. FiPL programme management will include keeping identified and any new risks under review and further mitigation measures will be put in place as required.

40. **Sustainability:** FiPL is a short term programme from 2021 to 31 March 2024 however if the approach of more flexible local delivery is demonstrated to work then this could influence the future design of the new support schemes such as the Environmental Land Management schemes and the role of Protected Landscapes in such schemes.
41. In addition sustainability and legacy is one of the factors in the scoring system for applications so will be taken into account when applications are assessed.
42. **Equality:** there are no issues to highlight.
43. **Climate Change:** FiPL funding will provide a number of opportunities for farmers and land managers to help address climate change issues as summarised under the climate theme in the outcomes section above.

Background papers (not previously published) – None

Appendices - None

Report Author, Job Title and Publication Date

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