Thursday 18 May 2023 Lullingstone Country Park

Annual joint meeting of the KNP Board and the Management Working Group

"Blended finance & nature-based solutions at the landscape scale: Darent Valley"

KNP Chair: Matthew Balfour



MORNING SESSION:

09.55: Introduction from Matthew Balfour, Chair of the KNP. **10.00: Darent Valley presentations:**

Nick Johannsen, Director, Kent Downs AONB Unit - presentation on **Darent Valley Landscape Partnership Scheme** - 20 minutes.



William Alexander owner of Castle Farm (Farmer Cluster Lead), on **Farmer Cluster approach in Darent Valley** – 10 minutes.

Marc Crouch, Darent Valley Landscape Recovery Project Manager, KWT on **Darent Valley Landscape Recovery pilot** (as part of Environmental Land Management Scheme – ELM) - 20 minutes.

Dr Chris Gardner, Head of Science and Partnerships, The South East Rivers Trust (SERT) on **river restoration preparatory work** (strategies for implementation) as part of the Darent Landscape Recovery project – 10 minutes.

11.00: Questions from the floor to presenters.

11.15: Short car trip to nearby meadow restoration at Preston Farm, as this relates to the identified opportunity that led to the Landscape Recovery pilot application.

Darent Valley Landscape Partnership Scheme

- Linked to AONB Management Plan principles...
- To conserve, enhance and celebrate the natural beauty of the landscape and to protect is for future generations.
- From 2017 to 2024
- The Darent Valley is located just 15 miles from London, making it very vulnerable to urban pressures.
- National Lottery Heritage Fund, Interreg, AONB, local councils, CiL, Kent Wildlife Trust, Defra...and more around £4m total...







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DARENT VALLEY

> 2 Seas Mers Zeeën TRIPLE C

2 Seas Mers Zeeën SCAPE

France (Channel) England



Darent Valley Landscape Partnership Scheme

Our aims

More than 40 integrated projects across the 5 themes of...

- Art and culture
- Heritage
- Access, visitor management and sustainable tourism
- Landscape and biodiversity
- Education









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D A R E N T V A L L E Y

> 2 Seas Mers Zeeën SCAPE









Art and Culture



Samuel Palmer trail...

inspiring views and Palmer's life

App, leaflet, wayfinding



Samuel Palmer exhibition, V&A, Ashmolean.



Art led events; walks, talks, festivals, airstream caravan/ VR film; source to sea/ dawn to dusk.

EXPERIENCE



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DARENT VALLEY Kent Downs Area of Outstanding Natural Beauty

Heritage



Restoration of Queen Anne Bath house (early 18th century)/ ice house



Restoration of Archbishops Palace (Tudor)

Roman Villa schools resources



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 SCAPE
 EXPERIENCE





4 archaeological digs involving community



Access and sustainable tourism



750m of new and resurfaced footpaths (with much more planned for next year – river path extension.

Changing places, access enhancement, inclusion.



17 Rail Trails...visitor management



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Trails



10 Community





Landscape and Biodiversity



Introduction of herd of feral goats to graze scrub





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Natural flood management strategy and measures...

EXPERIENCE

- Test and Trial
- Chevening
- Preston



Darent Valley Landscape Partnership Scheme



Education and Events



Festivals of the landscape (2022 and 2023)



Winter Fair



Over 50 workshops, walks, talks and family events



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DARENT VALLEY



Wider impact:



DV Cluster NR Pilot partner Nature based solutions



Community engagement, enjoyment and love for the landscape, health and well being.



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EXPERIENCE

Legacy planning.. NR Pilot **Blended** finance New bids

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SCAPE



"

You have enabled such great work, that will benefit the valley and people visiting it for so many years to come long after many of the projects apparently finish. Well done.

Jonathan Histed



DARENT VALLEY

WWW.KENTLIDAR.ORG.UK

D A R E N T V A L L E Y

Darent Valley Landscape Partnership Scheme

Questions?

For more info

- www.darent-valley.org.uk
- darent.valley@kentdowns.org.uk
- 01732 494505





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Darent Valley Landscape Recovery Pilot Project



This project is funded through Defra's Landscape Recovery Scheme, and supported by the Environment Agency



Department for Environment Food & Rural Affairs



Darent Valley Farmer Cluster (DVFC)





14 members 2,455 ha

Darent Valley Natural Capital Assessment with a Nature Based Solutions Approach



The project will assess the habitat, land use and natural capital value of the mid Darent Valley Catchment area. It will make recommendations on opportunities for the Darent Valley Farmer Cluster (DVFC), partners, and other landowners to deliver habitat and biodiversity improvements, and other public benefits, through future environmental projects for local nature and landscape recovery.



NbS Assessment Approach



Identify priority habitats, GIS mapping of existing habitat and enhancement opportunities.

Experienced surveyor to 'ground truth' existing habitat condition and opportunities.





Post-survey, mapping is updated, and outputs are entered into the C+ Tool and Biodiversity Metric to quantify NC opportunities.





NbS Assessment Process



Landholding boundary

144 14

Habitat creation opportunity options

1. Arable to woodland or neutral grassland

- 2. Modified grassland to woodland or neutral grassland
- 3. Enhancement existing neutral grassland
- 4. Floodplain neutral grassland to lowland meadow

Floodplain opportunity zone Opportunity zone 1 (100m buffer) Opportunity zone 2 (200m buffer) Opportunity zone 3 (300m buffer)

States 1

Darent Valley Landscape Recovery Pilot

Darent Valley Farmer Cluster (DVFC) Lead Partner - Kent Wildlife Trust (KWT) SERT, KDAONB Unit, NWKCP & BTF

Together, we aim to:

- > Increase area and connectivity of habitat creation and restoration
- Increase biodiversity and bioabundance
- Improve flood mitigation and drought resilience
- Improve social benefits through greater access to nature
- Enhance engagement between the local community and farmers/landowners
- Continue to sustainably grow food for the nation and drive a thriving rural economy

The 2-year Project Development Phase is to ready our project for Implementation.

'biodiversity thriving, with the river functioning as a corridor for wildlife, connected with the landscape by its tributaries & a restored mosaic of habitats, which includes sustainable farming businesses & prospering local communities'



Defra Landscape Recovery Deliverables



Who & How



DVLR Main Outcomes





DVLR Blended Finance



Begin understand what services, benefits and cobenefits are provided by habitat transitions and who might benefit from these

What ,where and when are different sources of finance better suited to establishing and maintaining habitat transitions Begin to understand who the 'investors'/'funders'/'long-term collaborators' are – who benefits, or depends on the services that you provide, who has invested in the catchment in the past e.g utilities, infrastructure, local industry? How do we ensure the legal frameworks and investment mechanisms are in place to access funding for all of this?



Thank you

marc.crouch@kentwildlife.org.uk





Dr Chris Gardner



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South East Rivers Trust leading on:

- 1. Ecological River Channel Connectivity Strategy;
 - Need: river channel is fragmented by numerous barriers from watermilling and flood defence operations;
 - Objective: to produce a prioritised plan for addressing in-channel habitat fragmentation and achieving fish passage source to sea;
- 2. Habitat Restoration Strategy;
 - Need: in-channel habitat is degraded due to physical modification;
 - Objective: to produce a prioritised plan for in-channel habitat restoration/enhancement;
- 3. Natural Flood Management (NFM) Strategy;
- 4. Natural based Solutions (NbS) Strategy for Aquifer Recharge.

south east rivers trust

Ecological River Channel Connectivity Strategy – why?

• Barriers to fish migration / movement

Artificial barriers (like weirs, watermills, sluices, hatches etc.) are recognised as one of the main threats to river ecosystems, resulting in habitat fragmentation and loss of connectivity.

Habitat fragmentation

Is caused by human activities which disrupt the continuity of habitats used by wildlife, and is a terrestrial conservation issue as well as an aquatic one. Habitats which were once continuous become divided into separate fragments, restricting the movements of organisms (*e.g.* fish) and separating them from habitats / resources / other fish required for their survival / the completion of their life-cycle.

Fragmented habitats are also less resilient, preventing re-colonisation after pollution incidents, drought events and lowering genetic variability, due to the restricted effective population size, potentially placing populations at an evolutionary disadvantage.

• Different fish have different abilities – so assessment needs to be for each guild.

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Ecological River Channel Connectivity Strategy – desk study

- The River Darent from 'Source to Sea' has a total of 51 known barriers to fish migration;
- However, these datasets are often incomplete; a comprehensive assessment of the distribution of artificial barriers in Great Britain, based on existing barrier datasets ground-trothed by field-based walkover surveys, indicated that existing barrier databases underestimate barrier density by 68%, particularly in the case of low-head structures (<1 m) which are often missing from current records (Jones *et al.*, 2019).
- Therefore, we estimate that there will be approx. 85 barriers in total.





Ecological River Channel Connectivity Strategy - method

• SNIFFER (2012) Methodology - An assessment is made based on structure type (e.g. vertical step weir, sloping weir etc.), based on: dimensions, turbulence, water depths and velocities.

Species thresholds														
Species thresholds	Wa	Water depth (cm) [passability score]				Water velocity (m s ⁻¹) [passability score]				Vertical hydraulic head (m) [passability score]				
		Partial	Partial			Partial	Partial			Partial	Partial			
		barrier (low	barrier (high			barrier (low	barrier (high			barrier (low	barrier (high			
	No Barrier	impact)	impact)	Complete	No Barrier	impact)	impact)	Complete	No Barrier	impact)	impact)	Complete		
	[1]	[0.6]	[0.3]	barrier [0]	[1]	[0.6]	[0.3]	barrier [0]	[1]	[0.6]	[0.3]	barrier [0]		
Salmon	>15	14 to 11	10 to 8	<7	<2	2.1 to 2.5	2.6 to 2.9	>3	<0.6	0.6 to 1.0	1.01 to 1.39	>1.4		
Adult Trout	>10	9 to 7.5	7.4 to 6	<5	<2	2.1 to 2.5	2.6 to 2.9	>3	<0.4	0.41 to 0.6	0.61 to 0.99	>1.0		
Adult Grayling	>10	9 to 7.5	7.4 to 6	<5	<1.5	1.6 to 1.9	2 to 2.8	>2.9	<0.2	0.21 to 0.25	0.26 to 0.29	>0.3		
Coarse fish	>10	9 to 7.5	7.4 to 6	<5	<1	1.1 to 1.5	1.6 to 1.9	>2	<0.1	0.11 to 0.15	0.16 to 0.24	>0.25		
Adult Lamprey	>8	7.9 to 6	5.9 to 3.1	<3	<0.5	0.6 to 0.99	1 to 1.4	>1.5	<0.15	0.16 to 0.25	0.26 to 0.29	>0.3		
Juvenile Eel	>5	4.9 to 3	3 to 2.1	<2	<0.3	0.31 to 0.49	0.5 to 0.79	>0.8						
Juvenile salmonids	>8	7.9 to 6	5.9 to 3.1	<3	<1.5	1.51 to 1.9	2 to 2.8	>2.9	<0.1	0.1 to 0.24	0.25 to 0.34	>0.35		
Juvenile Lamprey	>2	1.9 to 1.1	1 to 0.6	<0.5										
Adult eel	>8	7.9 to 6	5.9 to 3.1	<3										
		Turbulence [passability score]			Effective Length of Structure / Fish Pass (m)									
		Partial	Partial	ŕ		Partial	Partial							
Species thresholds		barrier (low	barrier (high			barrier (low	barrier (high							
	No Barrier	impact)	impact)	Complete	No Barrier	impact)	impact)	Complete						
	[1]	[0.6]	[0.3]	barrier [0]	[1]	[0.6]	[0.3]	barrier [0]						
Salmon	Low	Moderate	High	-	<10	11 to 30	31 to 99	>100						
Adult Trout	Low	Moderate	High	-	<10	11 to 30	31 to 99	>100						
Adult Grayling	Low	-	Moderate	High	<5	6 to 15	16 to 99	>100						
Coarse fish	Low	-	Moderate	High	<1	2 to 6	7 to 19	>20						
Adult Lamprey	Low	-	Moderate	High	<3	4 to 9	10 to 49	>50						
Juvenile Eel	Low	-	Moderate	High	<3	4 to 6	7 to 29	>30						
Juvenile salmonids	Low	-	Moderate	High	<3	4 to 9	10 to 49	>50						
Juvenile Lamprey														
Adult eel														



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Ecological River Channel Connectivity Strategy - method

• SNIFFER (2012) Methodology

No barrier [1]: No obstacle, passable if that the obstacle does not represent a significant impediment to the target species/life-stage, or species guild, and the majority of the population should be able to pass during the majority of the period of migration (movement). This does not mean that the obstacle poses no costs in terms of delay, e.g. increased energetics, or that all fish will be able to pass;

Partial barrier (low impact) [0.6]: A partial low impact obstacle is assigned if that the obstacle represents a significant impediment to the target species/life-stage, or species guild, but most of the population (e.g. > two thirds) will pass eventually; or the obstacle is impassable for a significant proportion of the time (e.g. < one-third). Culverts represent good examples of partial obstacles if they impede fish during periods of high or low flow;

Partial barrier (high impact) [0.3]: A partial high impact obstacle is assigned if the obstacle represents a significant impediment to the target species/life-stage, or species guild, but some of the population (e.g. < one third) will pass eventually; or the obstacle is impassable for a significant proportion of the time (e.g. > two-thirds); and

Complete barrier [0]: *Impassable, complete obstacle to fish movement if that the target species/life-stage, or species guild cannot pass the obstacle.*



Stour Road Map

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Barrier case study: River Stour, Abbots Mills, Canterbury.



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Barrier case study: River Stour, Abbots Mills, Canterbury.



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Barrier case study: River Stour, Abbots Mills, Canterbury.

	ι ι	Jpstream migra	ation [passabilit	ty score]	Downstream migration [passability score]					
	No barrier	Partial barrier	Partial barrier	Complete barrier [0]	No barrier [1]	Partial barrier	Partial barrier	Complete barrier [0]		
	[1]	(low impact) [0.6]	(high impact) [0.3]		1-1	(low impact) [0.6]	(high impact) [0.3]			
Adult salmon			√		√					
Adult Trout				√	√					
Adult Grayling				✓	✓					
Cyprinids (coarse fish)				~	√					
Adult Lamprey				✓						
Juvenile Eel				√						
Juvenile Salmonids				~	~					
Juvenile Lamprey					✓					
Adult Eel					√					

Hatches (Primary Attractive Route):

Stepped Pool Fish Pass (Unattractive, but most passable):

	L	Ipstream migra	ation [passabilit	ty score]	Downstream migration [passability score]					
	No	Partial	Partial	Complete	No barrier	Partial	Partial	Complete		
	barrier	barrier	barrier	barrier [0]	[1]	barrier	barrier	barrier [0]		
	[1]	(low	(high			(low	(high			
		impact)	impact)			impact)	impact)			
		[0.6]	[0.3]			[0.6]	[0.3]			
Adult salmon	✓				\checkmark					
Adult Trout		✓			✓					
Adult Grayling				√	✓					
Cyprinids (coarse fish)				~	~					
Adult Lamprey				✓						
Juvenile Eel				√						
Juvenile				√	✓					
Salmonids										
Juvenile Lamprey					✓					
Adult Eel					\checkmark					



Ecological River Channel Connectivity Strategy - approach

- Map 'Fish Passage' by species across the catchment;
- Discuss potential options for addressing fish passage at each site/barrier;
- Estimate costs and assess benefits:
 - Approx. costs for options;
 - Fish Passage benefits:
 - Distance to barriers upstream/downstream, to calculate the length of continuous habitat that would be opened up via removal or easement.
 - Prioritisation based on migratory species (sea trout & eel);
 - Other benefits that could be delivered e.g. length of river unimpounded by removal, other habitat benefits inc. flood plain reconnection etc.
- Weighted scoring system to prioritise on cost vs benefit;
- Strategy based on prioritisation and assessment of total costs for achieving fish passage source to sea;
- Shouldn't discourage taking up opportunities to address barriers if they come up.



Habitat Restoration Strategy – why?

• Physical modification of habitats

Rivers are considered to be amongst the most human degraded ecosystems worldwide. River modification has led to flow regulation, channelization and habitat degradation which has impacted fish populations.

- River Darent Chalk stream
 - Extensive legacy of water milling 29 mills:
 - Barriers;
 - Channel straightening, modification and realignment;
 - Land Drainage for agriculture:
 - Straightening;
 - Ditching of streams;
 - Flood Defence:
 - Barriers;
 - Channel modification and realignment;
 - Straightening;
 - Ornamental / quarrying online lake creation.








Darent Landscape Recovery



Habitat Restoration Strategy – historic data

- There are data available for 38 RHSs carried out between 1994 and 2009. These data can be used to derive two indices of river corridor status, the Habitat Quality Assessment (HQA) and the Habitat Modification (HM) scores.
- The HQA is a measure of the structural diversity of the river corridor and the score increases with improved habitat quality. By contrast, the MS is a measure of the extent to which the natural character of the river has been modified; a score of zero indicates no significant modification and represents natural (good) conditions. HM scores are used to assign a Habitat Modification Class; 1 (Pristine/semi-natural) - 5 (Severely modified).
- RHS in the Darent shows that modification class is usually high, showing a high level of modification and therefore the need for restoration. However, there are also some low classes present, and levels of modification are likely to be localised associated with how the river has been changed to facilitate water milling and water meadows.



Darent Landscape Recovery

Habitat Restoration Strategy - approach

- Reach delineation;
- Walkover assessments and surveys (targeted MoRPh);
- Classification Restore, enhance, protect;
- Discuss potential options for improving habitat in each reach;
- Assess costs and benefits:
 - Approx. costs for options;
 - Habitat benefits: Increase in diversity, provision of key habitats types for key species e.g. Brown Trout: clean loose spawning gravels (mobile riffles), fry habitats (marginal vegetation), juvenile habitats (cobbled runs/glides) and adult holding areas (pools);
 - Other benefits that could be delivered e.g. floodplain reconnection etc.
 - Link to Ecological Connectivity work removal of impoundments (big wins).
- Scoring system to prioritise on cost & benefit;
- Strategy would allow prioritisation and assess costs for improving habitat quality and quantity of specialised habitats e.g. spawning gravels, but shouldn't discourage taking up opportunities if/when they come up.



south

east rivers



"Rivers are our lifeblood. They shape our landscape, provide freshwater and support wildlife. When rivers thrive, so do we."

Any Questions?



AFTERNOON SESSION:

12.00: Gather in Orchid Room for brief update on health and nature activities 12.15: Networking lunch

13.00: Afternoon presentations and discussion:



Nature based solutions opportunities within Kent & Medway LNRS - Liz Milne. 10 mins.

New round of Farming in a Protected Landscape funding – Nick Johannsen. 15 mins.

Overview of blended finance and Nature based solutions - Paul Hadaway. 25 mins.

Oxbury, The Agricultural Bank - Timothy Coates - co-founder - 15 minutes

14.05: Questions from the floor to presenters. Chaired discussion on blended finance and nature-based solutions. Next steps.

> 14.45 - 15.00: meeting close, depart Board members remain for 10 minutes please.

Policy and strategy drivers for financing nature based solutions in Kent



Local Nature Recovery Strategies

- Local nature recovery strategies are a system of spatial strategies for nature and environmental improvement required by law under the Act.
- The strategies will:
 - agree **priorities** for nature's recovery.
 - map the most valuable existing areas for nature.
 - map specific proposals for creating or improving habitat for nature and wider environmental goals.
- Will include actions for both nature recovery and nature-based solutions, to join up work and enable multiple benefits to be derived from land management.





Biodiversity Net Gain

- From November, mandatory requirement for all new development to secure a minimum of 10% gain in biodiversity value. The value is calculated by the BNG metric.
- LNRS will identify spatially where delivery of **biodiversity net gain** will provide the greatest returns and incentivise this through the BNG metric.
- In absence of LNRS, an interim guide on strategic significance for Kent is being developed.
- LNRS and interim guide will provide an indication of where BNG may provide financing for habitat enhancement.





Environment Land Management Schemes

- Intended to support the rural economy while achieving the goals of the 25 Year Environment Plan and a commitment to net zero emissions by 2050.
- Through these schemes, farmers and other land managers may enter into agreements to be paid for delivering the following:
 - clean and plentiful water
 - clean air
 - thriving plants and wildlife
 - protection from environmental hazards
 - reduction of and adaptation to climate change
 - beauty, heritage and engagement with the environment
- Previously suggested that ELM funds will be spatially targeted to where they will deliver the most benefits and that the LNRS would have a **role in influencing** this in terms of **nature recovery benefits**.
- More detail to come from Defra on how the LNRS aligns with ELM.





Land Use Framework

- An approach to managing land use decisions that mediates competing pressures and encourages multifunctionality, enabling land to provide multiple benefits for public value.
- Defra Land Use Framework is intended to manage the increasing demands on our land, from food production, nature recovery, and renewable energy in order to:
 - ensure net zero and biodiversity targets are met and
 - help farmers adapt to a changing climate, whilst continuing to produce high quality, affordable produce that supports a healthier diet.
- LUF will inform incentives for agri-environment schemes and be a valuable resource for responsible authorities as they prepare their Local Nature Recovery Strategies.





• Expected late 2023.

Kent Plan Tree

- Extend tree cover by **1.5 million new trees** and increase the county's average canopy cover to 19%.
- **Nature-based solutions** to be delivered:
 - Contribution to county's net zero targets
 - Support nature recovery
 - Improve soil and air quality.
 - Reduce surface water flooding.
 - Provide urban cooling
 - Provide enhanced and improved recreation and amenity
- Mapping opportunities and priority areas

 targets for tree establishment
 works/natural regeneration and where
 government tree funding will be directed.





- Background to FiPL
- Timeline
- Priorities
- The Panel
- Uplift and extension
- Constraints





Background

- Announced in ATP
- New funding closely linked to AONB Management Plans
- Grants for projects and programmes, not agrienvironment scheme.
- People; Place; Climate; Nature.

Timeline

- Started in 2021 in year
- 2 years of delivery...very successful; near full out turn each year, all Yr3 already allocated by Dec Yr 2.
- Uplift and extension...unexpected...23/24 additional £2-300K project grant spend
- 24/25 £1.03m project grant spend





Priorities

- People providing a natural health service that will improve the nation's public health and wellbeing through increased access to nature across all parts of society, as part of our green recovery;
- Place creating centres of excellence and green innovation that are flourishing places to live and work, each with a strong identity and cultural heritage, and high recognition as attractive visitor destinations
- **Climate** delivering net zero with nature and nature-based solutions to help communities adapt to the unavoidable effects of climate change;
- Nature playing a leading role in the delivery of the Nature Recovery Network and achieving the PMs commitment to protect 30% of land by 2030;





People

- There are more opportunities for people to explore, enjoy and understand the landscape
- There are increased opportunities for more diverse audiences to explore, enjoy and understand the landscape
- There is greater public engagement in land management, for example through volunteering
- Difference between experiencing and learning about the landscape





Place

- 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





Climate

- Focusing on nature-based solutions
- More carbon is stored and/or sequestered
- Flood risk has been reduced
- Better understanding among farmers, land managers and the public as to what different habitats and land uses can deliver for carbon storage and reduced carbon emissions
- The landscape is more resilient to climate change





Nature

- 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





An (excellent) Independent Panel

- Defra expectations document
- Scoring applications
- Overview of pipeline improving and enhancing Eols
- Networking
- Beginning to lead development of bids





Constraints

• National Framework and the 'F' in FiPL

- Accessed by farmers and land managers who develop their own project ideas within the guidance and with support.
- Other land managers, community groups, charities and individuals are eligible too.
- Current 'stock take' of the projects we have funded
- Links to the forthcoming Defra targets and outcomes framework
- All of the expected grant additional grant monies this year are limited.
- Next year (because its an unexpected extension) there are currently no allocations and over £1m of additional funding to spend, in year.
- There is an opportunity to think strategically about what's missing and how we might make the best of this unexpected opportunity...





- Stuff...year 1 Projects (2021/22)
- 950m New Hedgerows Created
- 4140 Parkland Trees Planted
- 1ha Existing Scrub Managed
- Year 2 Projects (2022/2023)
- 4620m New Hedgerows Created
- 490m Existing Hedgerows Managed
 - 1085 Parkland Trees Planted
- 141.61ha Land managed for Invasive Species
 - 2ha Scrub Created
 - 139.62ha Existing Scrub Managed
 - 4.32ha Wildflower Meadows created
 - 0.218ha Woodland created
 - 3 New Permissive Paths Created
 - 9450m Existing Paths Improved
 - 1 New Pond Created



Projects fulfilling Priorities 21/22



Kent Downs AONB Priorities Fulfilled 22/23



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INCREASED RESILIANCE IN SUSTAINABLE FARM. HISTORIC STRUCTURES CONSERVED LANDSCAPE CHARACTER ENHANCED MORE ENGAGEMENT (VOLUNTEERING) DIVERSE AUDIENCES MORE OPPORTUNITY TO EXPLORE/ENJOY. BIODIVERSITY INCREASED HABITAT BETTER MANAGED GREATER CONNECTIVITY IN HABITATS GREATER AREA OF WILDLIFE RICH HABITAT LANDSCAPE RESILIANT TO CLIMATE CHANGE EDUCATION ON CARBON STORAGE FLOOD RISK REDUCED MORE CARBON SEQUESTERED

Kent Downs AONB Priorities Fulfilled 21/22



INCREASED RESILIANCE IN SUSTAINABLE FARM. HISTORIC STRUCTURES CONSERVED LANDSCAPE CHARACTER ENHANCED MORE ENGAGEMENT (VOLUNTEERING) DIVERSE AUDIENCES MORE OPPORTUNITY TO EXPLORE/ENJOY. BIODIVERSITY INCREASED HABITAT BETTER MANAGED GREATER CONNECTIVITY IN HABITATS GREATER AREA OF WILDLIFE RICH HABITAT LANDSCAPE RESILIANT TO CLIMATE CHANGE EDUCATION ON CARBON STORAGE FLOOD RISK REDUCED MORE CARBON SEQUESTERED **Priorities Fulfilled 22/23**





Hectares (Ha)

Project Delivery 21/22



Project Delivery 22/23



Project Outcomes

35

Timeline.

- Next Panel...next week...stock take
- Applications re-opening but long list of enquiries already
- Team here to help...we're trying to expand capacity but bear with us.
- Monthly Panel meetings
- Starting to make case for FiPL to continue...we have a success on our hands.





Questions?









Darent Valley & Blended Finance

Action and Innovation for Nature and The Climate Crisis

kentwildlifetrust.org.uk

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01: Strategic Interest in Natural Capital: Aims To protect and restore the River Darent To provide benefits to local communities To empower farms and landowners to deliver 1200 ha of natural capital potential To protect this precious natural resource and the surrounding landscape



01: Strategic Interest in Natural Capital: Objectives

Strategically planned habitat restoration Habitat for rare and endangered species Storing Carbon Increasing Biodiversity Reducing flood risk More quality spaces for people to enjoy recreation & connect with nature Protect in-perpetuity under agreements to assure investors & LPAs of long lasting commitment and benefits









ENVIRONMENTAL CONSULTANTS

02: Achieving KNP Biodoversity Objectives



Strategic BNG investment approach that follows high integrity KNP net gain principles



Strategic Carbon investment approach of Wilder Carbon Standards

Underpinning all work habitat for key species

Providing priority habitat with a buffer, expansion and connection Building on the emerging approach to underpin LPA future LNRS

Marine Contraction and Contraction of the Contracti



03: Evaluation and Governance

The DVFC is in the process of setting up a legal entity to support evaluation and governance of investment opportunities:

Membership Steering Group Project lead Business aggregator Local technical expertise Legal advice Monitoring, reporting and verification Payment mechanism

March March





04: Sustainable Investment Approach

Undertook evaluation of DVFC opportunity area using emerging LNRS approach

Intensive consultation with landowners and farmers

Natural Capital Assessment of all natural assets and value

Detailed BNG and Carbon assessments

Cash flow analysis for landowner decision-making

Phased approach to project investment







Kent wildlife Trust

05: Long-term Management of Land including climate resilience

MbS investment approach with long- term 30 to 50 year agreements

Philanthropic and ESG financing to support project readiness

Long term monitoring including dynamic assessment and reporting against climate change data

Landscape scale approach led by landowners and farmers





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Presentation to Kent Nature Partnership & Darent Valley Farmer Cluster

May 2023

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We are a **new bank.** Fully authorized and regulated since February 2021 built on our **own Tech**





3 global trends:


Lending - Product set



Oxbury Revolving Credit

Oxbury Farm Credit Oxbury Flexi Credit



Oxbury Farm Loans

Diversification, Productivity, Land, Consolidation Climate & Succession New Gen / Small Holder Mortgage

Food Chain Finance

Including wholesale finance schemes



Asset Finance

Fund (HP) the purchase of assets

The Bank has been carbon neutral in terms of its Scope 1 & 2 emissions since inception. Its focus has now **extended to financed emissions (Scope 3). Oxbury's role therefore is to ensure that there is:**



A reduction of greenhouse gases from agricultural production An increase in the carbon sequestration by farmland

An increase in the biodiversity of the farmed

environment

The rationale for the Bank doing this is in three categories:



Reporting

To ensure that Oxbury is able to report against the current and future regulatory requirements for natural capital - based on credible, objective and farm recorded data



Mitigating Risks

To mitigate the credit risk to the bank of customers becoming less financially and operationally resilient through not meeting regulatory or supply-chain natural capital requirements, changing consumer preferences or failure to manage or adapt to physical climate and nature risk



Resilience

Our belief that adhering to the climate and nature aligned principles will allow our customers and the Bank to be more resilient to economic and environmental shocks

Oxbury///

$$R_t = S_t + k_t + C_t + ECL_{t+n}$$

- Expected Credit Loss (ECL) is a function of:
 - The probability someone will be unable to repay (Probability of Default (PD)); and
 - The loss that would occur if there was a default (Loss Given Default (LGD)).
- Historically no real consideration of natural phenomena on the above. But climate and nature risk now needs to be priced:
 - Probability of physical risks causing acute issues increasing implications for PD
 - Likelihood of unproductive land values is increasing implications for LGD

Personal Position into the future

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What does it mean to be a farmer

Oxbury///

- For several millennia, farmers have deployed their human capital with natural capital to provide a myriad of ecosystems services to support human and other life
- In English: farmers have used the land to grow and raise food
- But... they have done so much more than that...
- And now... the markets are starting to recognise new opportunities:
 - Carbon
 - Biodiversity
 - Water
 - Community
- Bundling (Blending) and Stacking

Blended finance at its simplest means two or more different financial sources committing money to projects while seeking **differential returns**

Two big factors in our example – supply chain and government schemes



An example of blended finance

Government and Supply Chain still major factors but with a new focus

Natural Capital Markets now in play



The Natural Environment Investment Readiness Fund (NEIRF)



- Loan products that allow for semi-speculation natural capital project development - <u>buyer-of-services agnostic</u> but clear route to broker and market
- The importance of baselining
- The importance of aggregation
- 10 individual on farm projects approved for financing



Current negotiations on £1m+ soil carbon cluster-level project



- Importance of Stacking and Bundling and Colloboration
- Data permissioning and value
- Financing the Regenerative Transition
 - Temporary increased input costs but a lower future steady-state
 - Expanded markets
 - Capital cost and diversification
- Transition has to be "just" and based on counterparty trust.



End

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Questions & Discussion



- Questions from the floor to presenters.
- Chaired discussion on blended finance and nature-based solutions.
- Next steps.
- 14.45 15.00: meeting close, depart
- Board members remain for 10 minutes please.