



**Minutes of the Annual joint meeting between the KNP Board and  
Management Working Group, Thursday 18 May 2023,  
Lullingstone Country Park, Darent Valley**

**Theme: “Blended finance & nature-based solutions at the landscape scale”**

<b>Attendees</b>	
Matthew Balfour	KNP Chair
Gary Walters	KNP Vice Chair
Chris Drake	KNP Coordinator (KCC Natural Environment & Coast team)
Liz Milne	KCC Natural Environment & Coast team leader & KNP MWG Chair
<b>KNP Board</b>	
Susan Carey	Cabinet Member for Environment, KCC
Nick Johannsen	Kent Downs AONB Unit
Paul Hadaway	Kent Wildlife Trust
James Seymour	Natural England
Matthew Woodcock	Forestry Commission
Gregor Mutch	Brett Aggregates
<b>KNP MWG</b>	
Kathi Bauer	The South East Rivers Trust
Andrea Griffiths	Medway Valley Countryside Partnership
David Scully	Tunbridge Wells Borough
Karen Faux	Natural England
Clare Russell	Dartford Borough Council
Cally Fiddimore	Kent High Weald
Peter Garrett	Medway Council
Max Tant	KCC, Flood & Water Management
Hannah Simmons	KCC, Ecological Advice Service (KCC Natural Environment & Coast team)
<b>Guests</b>	
Dr Caroline Jessel	Chair of the South East Nature Partnership
William Alexander	Farm Cluster lead and owner of Castle Farm
Will Bax	Farm Cluster member, landowner (Preston Farm) TBC – site visit only
John Dinnis	Farm Cluster member, landowner
Timothy Coates	Oxbury Bank (co-founder)
Matt Ryan	Oxbury Bank - Head of Farmer Relationships for the UK
Iain Hawthorn	Oxbury Bank - Senior Agricultural Relationship Manager
Rory Harding	Nature Recovery Manager, KWT
Marc Crouch	Darent Valley Landscape Recovery Project Manager, KWT
Dr Chris Gardner	South East Rivers Trust
Jen Morgan	The Health Foundation

<b>Apologies</b>	
<b>Board</b>	
Rob Jarman	Kent Planning Officers Group (Maidstone Borough Council)
Charles Tassell	Country Land & Business Association
Alan Jarrett	Medway Council
Helen Shulver	Kent County Council - Kent Environment Strategy
Nick Fenton	Kent Housing and Development Group
Evan Bowen-Jones	Kent Wildlife Trust
Ellen Schwartz	Kent Public Heath (KCC)
<b>MWG</b>	
Sophie Stiles	Ashford Borough Council
Mary Tate	North West Kent Countryside Partnership
<b>Guests</b>	
Vincent Ganley	KWT Consultancy
Jessie Tegg	The Quadrangle

**MINUTES:** see also the presentations which accompany these minutes.

### **Morning session: Darent Valley presentations**

#### **1. Nick Johannsen, Director, Kent Downs AONB Unit - presentation on [Darent Valley Landscape Partnership](#) Scheme**

Whats new with AONB's: -

AONB's are about to have the new name of "National Landscapes."

For Kent:

- £3.5M of Interreg funding around sustainable tourism, now being wrapped up.
- National Grid programme of burying cables is ongoing.
- Strategic Management Plan is focused on opportunities and threats.

Situated fifteen miles from Big Ben, the Darent Valley is a beautiful environment, however threats (and opportunities) relating to proximity to London exist.

Darent Valley is one of three Landscape Partnership Schemes in the county, funding has been from both Interreg and National Lottery.

The various strands include Art & Culture, including a focus on Samuel Palmer the 19<sup>th</sup> century painter, with links to the V&A and Ashmolean.

The funding has also allowed for footpath works, changing places/disabled access, Natural Flood Management (NFM) test and trail work, the next step being a NFM Strategy.

Events and education work have been considerable too.

An extensive Lidar resource has also been developed with footage across Kent.

The National Lottery have been especially useful in advising on all of this.

## **2. William Alexander owner of Castle Farm (Farmer Cluster Lead), on Farmer Cluster approach in Darent Valley**

The farm is based on horticulture/crops/lavender/apples/hops and a beef finishing herd.

There is also a big visitor and education element to the farms business model.

The farm has been involved in stewardship schemes for decades, wildlife corridors have been created etc.

18 months ago, surrounding farmers decide to join up for nature, as a cluster.

A baseline survey of all members land too place using Defra metrics and other criteria.

ELM funding is a big incentive; there are three tiers to ELM, 1 is “Landscape recovery”, while this is not rewilding at scale, farmers have committed to improving less profitable land for nature and improving other areas too.

Pilot status was recently given to the cluster and the “River theme” was chosen, so raising water quality and looking at flood risk mitigation is key.

The pilot is two years, but with the purpose to create a plan for 20 years. This is quite a challenge with the potential succession of ownership etc.

No more farms are joining now as at capacity, but will look to support other groups, particularly on catchment approach.

## **3. Marc Crouch, Darent Valley Landscape Recovery Project Manager, KWT on Darent Valley Landscape Recovery pilot**

Marc recapped William’s point that the cluster only dates from September 2021, on day 1 there were 7 farmers, this grew to 14 in a week, covering 2,500ha.

The farmers were subject to a questionnaire to establish the sort of collaborative work they wanted to be involved with. A baseline survey of their land was completed, including nature-based solutions and natural capital. Priority habitats and buffer zones were identified.

Following this, landowner discussions took place around natural capital.

An agreement was formed to collaboratively create 160ha of flood plain meadow.

All of the above contributed to a strong Farming in a Protected Landscape (FiPL) application.

This was by Darent Valley Landscape Partnership, including SERT, KWT, AONB, NWCMP and the Farmer Cluster (of now twenty farms).

The partnership is now 4 months into a 2-year development phase, paving the way for the 20-year implementation phase. With the river focus, the vision is for thriving biodiversity, particularly chalk streams, tackling issues such as diffuse pollution and flood risk.

The real test is to have established good governance and vehicles for investment, so that land for nature is financially viable.

The business model will be around blended finance, but the overall outcomes need to be both environmental and societal, to this end community and schools' engagement is key.

Kent County Parks are now also coming in on the scheme.

A legal identity for the partnership will need to be established, whether a CIC, Limited Company or other.

Identifying what services will be provided and who the buyers and sellers are will be key.

To this end, BNG and other assessments have been conducted and outline figures produced.

So the priority in this development phase is identifying legal frameworks and investment mechanisms.

#### **4. Dr Chris Gardner, Head of Science and Partnerships, The South East Rivers Trust (SERT) on river restoration preparatory work**

Chalk streams on the Darent and Cray are significant and part of a River Restoration Strategy. SERT have been working on these areas for 8 years, but the pilot (described above) has really pushed things forward.

SERT are leading on the following areas.

- Ecological River Channel Connectivity Strategy
- Habitat Restoration Strategy
- Natural Flood Management (NFM) Strategy
- Natural based Solutions (NbS) Strategy for Aquifer Recharge

The Darent is at risk of drying up, so aquifer recharge is essential.

Barriers to fish movement is an issue and these have been identified, fifty-one in all.

“Sniffer” work has been conducted to identify fish species present. This is a United Kingdom-developed fish passability assessment method.

Infrastructure, such as hatches, are too high. Stepped pool fish passes are better, but still only passable by salmon and trout.

Cost/benefit analysis has been conducted for removing or reducing these barriers and areas of work prioritised.

Good data is available for the Darent, with EA surveys going back to the 90's.

In the habitat restoration strategy, ranunculus and brown trout are identified.

#### **5. Questions to the speakers**

Caroline asked whether any public engagement had taken place and the reaction had been?

Marc said the focus had been on private land, but some parish council engagement had taken place and citizen science projects. All engagement so far had been positive but future engagement on specific decisions may be more challenging.

William emphasised that there was a public appetite for nature, therefore future schools work will be key and social outcomes an important part of the work.

Matt emphasised that transition is part of the solution, he also queried about feral goats as part of the programme, Nick said these are fenced and on downland, so they do not destroy woodland and other areas.

Susan asked if Defra has provided feedback on the work?

Marc said they have been involved in terms of determining the applications, but that information sharing between the various pilots is not very good.

Paul added that there does seem to be a siloed approach within Defra which is unhelpful and there is a need for more advocacy.

### **Preston Farm visit – field trip and overviews**

#### **6. Will Bax – land owner**

Bought the farm three years ago. Needed to get more water back on the flood plain and realise flood mitigation opportunities.

Around £20,000 Interreg money was used on ditch work. The area is now wet throughout the year and lots of wading birds use the area.

160ha has been set aside in terms of flood plain. In high flood the area can hold water for 48 hours. Getting EA consent for the work has not been an easy process.

Mink are being controlled on the site.

#### **7. Jen Morgan from the Health Foundation**

Jessie from then nearby Quadrangle was unable to make the meeting but Jen covered this and other areas.

The Quadrangle is a health and nature initiative based at nearby Castle Farm, the “Out in the field” work stream involved over five hundred hospital staff, exhausted by the Covid pandemic and in need of recovery.

The Quadrangle are also a cluster member and FiPL helped pilot the approach. In future Preston Farm may also become part of a health hub.

The Health Foundation is a charity.

Jen covered areas including forest bathing and forest therapy (exported from Japan), in the latter case the evidence is that it is not just the experience that benefits health but the antimicrobial effect of a woodland environment.

She emphasised that “wellness” is now being viewed as an “ecosystem service” and green social prescribing initiatives are taking off.

### **Afternoon presentations at Lullingstone Country Park**

#### **8. Nature based solutions opportunities within Kent & Medway Local Nature Recovery Strategy (LNRS) – Liz Milne**

Liz used LNRS as a lens for looking at policy and strategy drivers for financing nature-based solutions in Kent, ranging from BNG and ELM to Land Use Framework.

KCC is about to receive a letter from the secretary of state confirming KCC as the Responsible Authority for the Kent & Medway LNRS and burdens funding will follow.

The strategy will need to be written by March 2025.

LNRS 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.

LNRS will identify spatially where delivery of biodiversity net gain will provide the greatest returns and incentivise this through the BNG metric.

More detail to come from Defra on how the LNRS aligns with ELM.

#### **9. New round of Farming in a Protected Landscape (FiPL) funding – Nick Johannsen**

This government grant scheme has been amazingly effective across the AONB, in funding all sorts of projects under the priorities: - People/place/climate/nature.

All of the Kent allocation for 2022/23 was used up by December.

£1M project spend now being made available for 2024/25.

Owl boxes, water vole projects and soil health (composters injections) have all been funded by FiPL as well as broader initiatives on carbon and flood risk.

FiPL is enabling staff to visit farms and assess potential for projects and funding.

#### **10. Adonis Blue (KWT Consulting) – Paul Hadaway**

Paul described how KWT was split into the charity and the business and how surplus from the latter goes into the former.

Wilder Carbon is a national initiative that started in Kent, last week a tonne of Carbon was rated at £75 under this for the first time, however the wider nature-based solutions suite is being looked at by Adonis Blue

High integrity products and due diligence are vital to the success of these markets.

For the Darent Valley, establishing the right governance will be key as well as monitoring, reporting and verification.

Learning how to start effective communication with landowners is vital.

Barriers include the length of time they need to lock land up for, 30 years BNG. 50 years for Carbon.

Conservation covenants are significant here and work is taking place in terms of how these might be administered.

Climate, nature, and landscape resilience are key drivers.

Philanthropic funding and Environmental, Social, and Governance (ESG) are welcome but ad hoc and new blended finance will be essential for the future.

### **11. Oxbury, The Agricultural Bank – Timothy Coates – co-founder**

Have only been trading for two years but are the fastest bank to break even in UK history.

A bank for farmers, but with deposits from the general population.

Addressing global drivers around climate/sustainable food production, farm consolidation and supply chain changes.

A net zero bank and they fund farms with or developing strong carbon and biodiversity credentials.

Why Oxbury? – reporting against current and future regulatory requirements for natural capital; mitigating the credit risk to the bank of customers becoming less resilient through not meeting regulatory or supply-chain natural capital requirements; building economic resilience through climate and nature aligned principles.

Oxbury have to disclose their own carbon footprint, but financial exposure of those that Oxbury invest in is part of the model in terms of greenhouse gas emissions for example.

The Task Force on Climate-related Financial Disclosures (TCFD) came out of the G20, this applies to all financial institutes, whereas the Taskforce on Nature-related Financial Disclosures (TNFD) is in development and may be mandatory in two years.

Oxbury are also involved in the Natural Environment Investment Readiness Fund (NEIRF).

In terms of official credit risk, the natural environment is not currently applied, but the case for building in climate and nature risk is growing.

Tim described his own experience as a third-generation farmer in the Cotswolds. They are looking “agricultural transition” (to areas such as regenerative farming) as being profitable for business. His farm is part of a farmer cluster featuring 130 members and covering 42,000ha. Oxbury are also members of Oxfordshire LNP.

In terms of blended finance, Tim described the importance of aggregating services and described how blended finance results in differential returns. Outputs are sold and profits gained, but it is pressurised. More conditions are applied on produce. Bundling and staking of services is a key area.

Oxbury helps farmers transition as part of their model, the aim being to empower the farmer to have the product ready. Oxbury’s loan project assists.

Going back to his cluster, Tim emphasized the importance of baselining what farms have, and this has taken place on 41 of 100 farms, plus all cluster members need to know they will get something out of this.

Carbon price (e.g. Wilder Carbon) can be bundled with other benefits – or “co-benefits.”

Data is key, but an important principle is that this belongs to the farm and the farmer must be compensated if data is used in a way that does not benefit them.

In conclusion, Tim said we need to meet people “where they are today” even if they do not have everything in place, but if they are willing to go on the journey, they will be supported.

## **12. Questions and discussion**

Matthew B asked if Farming in a Protected Landscape would continue or be extended.

Nick said it was good to have the current extension, that it was a success story that he hoped the government would support it into the future and that it can be extended beyond protected landscapes.

Matthew B also asked Oxbury how important “climate” and the model of improving biodiversity was to them.

Tim said this currently accounted for 25% of the business, but they want to accelerate this.

There was a question for Liz about 20% BNG and how many Kent districts and boroughs had adopted this.

She said that at least half are well disposed to this, but Maidstone had put 20% in their local plan review. Liz also said that for the LNRS, districts and boroughs will be Supporting Authorities, and this may help them to better realise how 20% can be achieved on the ground and where. Also for districts and boroughs, BNG will mean income generation.

Nick asked the room how important the integrity of the client should be?

Paul said that for Wilder Carbon various hurdles of due diligence need to be jumped and that clients need to be shown to be on a Carbon reduction journey.

Tim felt that currently, for Carbon trading there is too much reputational risk for both the markets and the participants. Some farms are “net zero”, but selling to a UK, not global market is key and there needs to be a clear transition plan.

Nick emphasised that a lack of regulation was a clear barrier, while Matthew B pointed to the current taxation consultation and how land for nature recovery is taxed is also a barrier, saying that farmers don’t want a big capital bill.

Caroline asked if BNG land can also be used for “net zero” and the answer from Liz, was no, however this was only for the first 10% and she said above this BNG could be used in this respect – and the credits here be sold for this.

Tim recognised the importance of BNG, but felt that once developed, Nature-related Financial Disclosures (TNFD), would be even more significant,



Matthew W also suggested that at some point nitrate offsetting might be a blanket requirement, while currently it only applied on specific geographies.

Nick asked about insetting and whether the expectation for Carbon neutrality was a barrier for farmers.

It was explained that in not always knowing their own footprint, farmers were being expected to buy Carbon credits to please the big supermarkets.

William said that this was a case of farmers being compelled to deliver their assets to the supermarkets, so “we will buy from you, but we expect your excess carbon”, as Gregor put it.

Tim added that as farms are at the bottom of the commodity chain, they will always get asked questions about their product.

Gary recognised a picture of uncertainty for farmers in terms of Carbon and selling other nature-based solutions products. Timescale was an issue too, with commitments for 30 – 50 years meaning that the next generation had their hands tied.

However the room recognised the pace of the climate crisis and the need for action now.

Rory added that the farmer cluster approach, reduces financial risks for farmers.

Caroline recognised the risks of farmers engaging in all this, but also pointed to the risk of them not acting, both in terms of being behind the curve of business opportunities and in terms of the climate change impact on their land.

In terms of horizon scanning, it was noted that an Agroforestry Carbon Code will be coming in during 2024. Matthew W also noted at present farmer may throw in the odd unproductive fields, but that going forward they will need to look at opportunities across their entire holding.

The main meeting concluded, but Board members were invited to stay to conclude the business from the March meeting.

### **13. KNP Board business**

Vice Chair Gary Walters chaired this as Matthew had to leave.

The March minutes were approved.

Actions from that meeting were revisited:

#### **a) KNP to be kept informed on key milestones in the Kent & Medway LNRS and BNG work and be involved at appropriate points – Liz/Chris**

A BNG update had been circulated to the Board since the March meeting. For LNRS, aside from the areas covered today, Liz said that a website was being commissioned and staff will be appointed (and partners commissioned for aspects of the work) once the letter from the secretary of state has been received (this month) along with burdens funding. For the short term, June will be about project planning, a soft launch will take place in July and the project will start in earnest in September.

On the previous day Liz had circulated an email to many partners about landowner engagement, to start exploring the stakeholder engagement side of the work, which will also require engagement with planning officers, although they have been involved in preliminary LNRS work through KNP.

Formal governance will be established through a Kent & Medway LNRS Board and delivery group.

- b) Forestry Commission grants advice information to be passed to KNP for a potential KNP web page on this – Matthew Woodcock/Chris.**

It was agreed that this may sit better on the forthcoming LNRS site, so Liz and Chris will pick this up with Matthew in due course.

- c) Chris to ask Charles Tassell /CLA for a commentary on the taxation consultation – Chris/Charles.**

The deadline is June 9<sup>th</sup> and as highlighted in the main meeting this is an important consultation. At present Matthew B is going to make some key points for KNP to be shared with the Board, agreed, and sent back to Defra.