

## **SUSTAINABLE DEVELOPMENT FUND (SDF)**

### ***Purpose***

To inform members of the new guidelines from Welsh Government for the Sustainable Development Fund (SDF) and nominate 3 JAC members to the SDF Assessment Panel.

### ***Recommendation***

That the JAC

- A. Welcomes and adopts the new guidelines from Welsh Government for the Sustainable Development Fund (SDF)
- B. Nominates three JAC members to the SDF Assessment Panel to complement three independent co-opted appointees to the Panel

### ***Key Issues***

- The Sustainable Development Fund (SDF) is a delegated grant from Welsh Government administered by the Wye Valley AONB Partnership and confirmed for 2018/19 and 2019/20 at £55,000 per annum.
- New guidance for the SDF has been issued by Welsh Government (see Appendix 1).
- The SDF Assessment Panel is established as a sub-group of the JAC. It currently has a number of vacancies making this is an opportune moment to review membership.
- The SDF Assessment Panel is made up of public, private and voluntary sector representatives with 2 appointees from each sector to ensure a balance across social, community, economic and environmental interests, with additional officers' support.
- It is proposed that the JAC nominate 3 members, one for each sector, to complement 3 independent co-opted appointees to the Panel.
- The revised Terms of Reference of the SDF Assessment Panel is attached (Appendix 2).
- The current allocation of SDF grants is also appended (Appendix 3) with £13,776 remaining to be allocated in 2018/19.

### ***Reasons***

The Sustainable Development Fund (SDF) has been available in the Wye Valley AONB for 18 years in Wales and but was a casualty of austerity in England, where it ran for 10 years. The SDF comes direct from Welsh Government (WG) and is administered by the Wye Valley AONB Unit and the SDF Assessment Panel. WG have confirmed that the SDF for 2018/19 and 2019/20 is £55,000 per annum. There is also the opportunity to bid for underspends from other AONBs later in the year, subject to available funds and prospective applications.

The consolidation of environmental and sustainability legislation in Wales around the Well-being of Future Generations (Wales) Act 2015 and Environment (Wales) Act 2016 have led Welsh Government to revise the guidance for the SDF. This is attached in Appendix 1. With the new guidance and some vacancies on the SDF Assessment Panel, it seems an opportune time to refresh the Panel membership.

The SDF continues to be a popular funding source in the Welsh part of the Wye Valley AONB. A Landscape and Biodiversity Enhancement Grant scheme, with a £1000 limit, is also included within the Wye Valley AONB SDF. However due to challenges of match funding and the capacity of community groups, many projects are driven or partly instigated and run by the Wye Valley AONB Unit. The quality of projects from other organisations has sometimes not met with the approval of the SDF Assessment Panel leading to refusal and disappointment on the part of the applicant. Sarah Sawyer, AONB Community Links Officer, works with applicants to ensure that potential projects are as good as possible before applications are presented to the Assessment Panel for determination. It is usually applicants that have had least contact with Sarah who fail to get funding.

### ***Implications***

The SDF Assessment Panel has two representatives each for the public, private and voluntary sectors, along with officers from Natural Resources Wales and Monmouthshire County Council. There are currently a number of vacancies on the Panel. Therefore it is proposed that the 3 members from the JAC, one for each sector, are appointed to the Panel. These will be complemented by 3 independent appointees who will be co-opted on to the Panel to provide a good balance across social, community, economic and environmental interests. The current Panel members and the revised Terms of Reference of the SDF Assessment Panel is attached (Appendix 2).

The SDF application form will be modified to better reflect the alignment of the SDF Guidance with the Welsh Government environment and sustainability agenda. This should make it easier for both applicants and the Assessment Panel to evaluate projects against these criteria. Applicants will continue to receive as much help and support as needed in preparing SDF project applications from Sarah Sawyer, AONB Community Links Officer.

The Landscape and Biodiversity Enhancement Grant scheme will continue to be offered within the Wye Valley AONB SDF. The grant can support a range of landscape enhancement works at a rate of 50% of the total cost of the works up to a maximum of £1,000. The grant is aimed at landowners and land managers, including small-holders, Community Councils and community groups, where biodiversity gains can engage and benefit those who live within the local environment. Larger landowners may also apply for funding. Priority will be given to schemes where there is greatest biodiversity gain and community benefit. Eligible works may include:

- Orchard planting/gapping up
- Hedgerow management
- Drystone wall restoration
- Life sustaining work to veteran trees
- Pollarding, coppicing and activities relating to the promotion or conservation of biodiversity
- Riparian tree management

### ***Background***

The revised SDF Guidance ensures that the SDF sits in the context of Wales' new environmental and sustainability legislation. The SDF has been operating in the AONB since 2000 in Wales. A recognised strength of the SDF grant is its flexibility, including the incorporation of the Landscape and Biodiversity Enhancement grants.

## APPENDIX 1.

# GUIDANCE FOR THE AONB SUSTAINABLE DEVELOPMENT FUND

The Sustainable Development Fund (SDF) was established in 2001 by the Welsh Government to support innovative, sustainable projects in Wales's five Areas of Outstanding Natural Beauty (AONBs). The Fund is divided equally between these five areas and supports the development of living and working more sustainably in association with enhancing natural beauty, wildlife, culture, landscape, land use and community within the context of the goals and sustainable development principles in the Well-being of Future Generations Act.

This paper provides guidance on how the scheme is coordinated by Welsh Government and administered by Local Authorities and AONB Officers in Wales's AONBs.

## 1. The Purposes

When administering the Fund, AONB Officers should ensure that all projects encompass, but are not confined to, the following purposes:

- i. To explore innovative ways of contributing to the opportunities and challenges set out in the Natural Resource Policy (see below).
- ii. To build capacity in local communities, and to develop and support community-based projects promoting sustainable development objectives.
- iii. To generate greater awareness and understanding of sustainability amongst residents and visitors, and facilitate positive behaviour change.
- iv. To deliver and promote the purposes of the AONB and the objectives as set out in the AONB Management Plan.

In delivering on these purposes, projects must also support the AONBs primary purpose:

- to conserve and enhance the natural beauty of the landscape

And secondary aims:

- to promote sustainable forms of economic and social development of local communities, and;
- meet recreational demands in line with land use and conservation

## 2. Eligibility

Local Authorities, voluntary, community, and partnership groups are eligible to apply for funds as long as the proposed project meets the scheme's priorities. Projects should be located within or should directly benefit one or more of the Welsh AONBs.

For organisations to receive funds they should have a formal constitution and a bank account. Private businesses or individuals may also apply on the same basis provided they are able to demonstrate a clear benefit to the wider community and AONB(s). All applications should be subject to the same rigorous assessment procedure. Projects must also comply with any relevant regulatory requirements e.g. planning permission and building regulations.

From time to time SDF can be used to support an aspect of a wider project. In this circumstance the Welsh Government would expect associated risks to be managed. Should

the wider project not complete and the funding allocated has not delivered its purpose, it would be expected that the Local Authority/AONB meets the costs of the project or for the funding to be returned.

### **3. Welsh Government Priorities**

All projects must meet the Welsh Government's current agenda for the environment and sustainability.

The **Well-Being of Future Generations (Wales) Act 2015** puts in place Sustainable Development Principles which tells organisations how to go about meeting their duty under the Act. There are five things that will need to be considered when demonstrating the Sustainable Development Principles have been applied when administering the Fund. Following these ways of working will encourage collaborative working, avoid repeating past mistakes and tackle some of the long-term challenges we are facing.

**Long Term** - The importance of balancing short-term needs with the need to safeguard the ability to also meet long-term needs.

**Prevention** - How acting to prevent problems occurring or getting worse may help public bodies meet their objectives.

**Integration** - Considering how the public body's well-being objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies.

**Collaboration** - Acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its well-being objectives.

**Involvement** - The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves.

### **Well-being Goals**

The seven Well-being Goals show the kind of Wales we want to see. Together they provide a shared vision for the public bodies listed in the Act to work towards. They are a set of goals and the Act makes it clear the listed public bodies must work to achieve all of the goals, not just one or two. The projects supported will, therefore, need to demonstrate how they contribute to the following:

- **A prosperous Wales**

An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.

- **A resilient Wales**

A nation which maintains and enhances a bio diverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).

- **A healthier Wales**

A society in which people's physical and mental well-being is maximised and in which

choices and behaviours that benefit future health are understood.

- **A more equal Wales.**

A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).

- **A Wales of cohesive communities.**

Attractive, viable, safe and well-connected communities.

- **A Wales of vibrant culture and thriving Welsh language**

A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.

- **A globally responsible Wales**

A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.

The **Natural Resources Policy** facilitates the implementation of the ground-breaking **Environment (Wales) Act 2016** and sets out three overall national priorities for the management of natural resources:

- Delivering nature-based solutions
- Increasing renewable energy and resource efficiency; and
- Taking a place-based approach

It contains the following four headline opportunities associated with our natural resources:

- Supporting successful, sustainable communities;
- Promoting green growth and innovation to create sustainable jobs;
- Supporting a more resource efficient economy; and,
- Maintaining healthy, active and connected communities

Embracing these priorities and opportunities will enable us to tackle our three main challenges:

- Improving ecosystem resilience
- Climate change and the decline in biological diversity
- The UK's Withdrawal from the EU

Priority will be given to projects that deliver against the above opportunities and challenges. The delivery of SDF through partnerships is crucial to ensuring effectiveness in supporting local sustainable development initiatives and projects which encompass joint working with other AONBs/National Parks, the voluntary/community sector, or other partners, should also be prioritised.

#### **4. Awareness**

It would be good practice to provide examples of previous and potential projects in the form of a leaflet/guidance to help guide applicants. This can be done by the individual AONBs or collaboratively.

The AONB Officer should send out the guidelines and application forms to the applicant. The guidelines set out the priorities of the scheme and eligibility criteria. These guidelines also strongly advise the applicant to talk through their ideas with the relevant AONB Officer before submitting an application, to ensure that the applicant and their project are eligible for

funding.

## **5. Application Process**

Having first discussed the proposed project with the AONB Officer, the applicant will submit an application. Before the project is discussed by the Assessment Panel, the AONB Officer (in their advisory role) will initially check the application to ensure that:

- i. the application form is complete;
- ii. the individual, group or organisation is eligible to apply;
- iii. the application meets Welsh Government priorities, AONB purposes and the purposes and set criteria of the scheme.

Successful applications will be given a unique reference number consisting of the initial(s) of the AONB(s), followed by chronological numbering, followed by year number of the scheme eg WV12YR1 (Wye Valley, twelfth application received in Year 1).

Once these validation checks have been successfully completed, the application form will be discussed at the next meeting of the Assessment Panel if the proposal is over £3,000, with a recommendation from the nominated officer as to whether the application should be accepted or rejected.

## **6. Application Assessment**

### **6.1 Assessment Panels**

Assessment Panels have been set up for each AONB as subgroups of Joint Advisory Committees (JAC) or Partnerships. Each Panel is made up of a third each of public, private and voluntary representatives to ensure a balance of interests across social, community, economic and environmental sectors. There should be a minimum of three people on a Panel and a maximum of around six, with members being co-opted if necessary to ensure an even balance of interests.

The members of the Panel will elect a Chair. The nominated Local Authority Officer will act in an advisory capacity. A Natural Resources Wales Officer will also sit on each Panel in an advisory and non-voting role. These two advisory officers will normally be in addition to the usual members of the Panel. Members should declare an interest if they have any direct and significant involvement with the proposed project and revoke their voting rights for any vote on that project.

These Panels will meet as necessary. The dates of meetings of the Assessment Panels will be available from the AONB Officer; this will give the applicant an idea of the best time to apply for funding.

Small projects of less than £3,000 will not need to go to the Panel but can be decided through delegated authority from the Assessment Panel to the AONB Officer in discussion with the NRW Officer. At least 60% of the awarded funding should be considered by the Assessment Panel regardless of the level of funding provided. Officer's decisions on applications will be reported back to the Assessment Panel who should be made aware and asked to note all supported projects.

The scheme will operate in accordance with the "Principles of Good Governance" as agreed by the Future Landscapes Wales Working Group and set out in Annex A.

### **6.2 Assessment Criteria**

Other than what has been outlined above, under the "Eligibility" and "Priorities" headlines, the

criteria for the scheme should be agreed by the respective AONB Management team. This criteria will be provided to the applicant as an indication of how their application will be assessed.

The final decision of whether to accept or reject a project is at the discretion of the Assessment Panels within the framework of the agreed objectives and criteria. The Assessment Panel must however ensure there is transparency in their decision making process. They must be accountable for decisions made and will need to be able to provide full justification for all decisions reached.

Applicants will need to be given clear reasons for why their project has been unsuccessful. Officers can work with applicants to consider the comments made by the Panel in order to amend rejected projects for resubmission. If an applicant is concerned about an Assessment Panel decision, this can be addressed through existing Local Authority appeal procedures.

## **7. Grants**

### **7.1 Type of Grant**

The scheme provides project grants; management grants to support staff costs and development grants to provide a catalyst for new action or partnerships. The five AONBs submit claims on a quarterly basis to the Welsh Government Landscapes Team before payment to the Local Authority/AONB unit is made. Claim forms and guidance is also provided by the Landscapes Team.

In exceptional circumstances applicants can apply for a one-off advance payment to meet set up costs at the beginning of the project. This would only be granted provided they can satisfy the Assessment Panel that the project would not proceed without advance payment.

### **7.2 Rates of Grant Aid**

The level of grant support will not usually exceed 75%, but up to 100% will be available in exceptional circumstances. These figures include an element for appropriate overheads of up to 12%. The applicant is normally expected to provide at least 50% of the total budget costs. The source of any match funding should be clearly identified to avoid the possibility of double funding.

Up to 10% of the scheme can be used by Local Authorities to cover costs associated in administering the scheme (e.g. staff costs, postage, administration, servicing Assessment Panels).

In general, the scheme will not provide 100% funding, although, this could be considered by the Assessment Panel in exceptional circumstances. Such circumstances would be, for example, when there was a consensus by the members of the Panel that a project fully met the agreed objectives and criteria but the applicant had no other means of securing resources for the project, therefore, without 100% funding from SDF, the project would not proceed. The Assessment Panel will need to justify any funding at 100% to Welsh Government as part of the progress reports submitted.

While there is no set limitation on the maximum or minimum that applicants can apply for, it is anticipated that no single project will take up more than half of the money available for the whole scheme in any year. Applicants can put forward projects which span more than one year of the SDF scheme.

### **7.3 Match Funding**

One of the key objectives of the scheme is to lever in funds from other sources. SDF can be

match funded with, for example:

- i. Private sector
- ii. Lottery Funding (which is not counted as Exchequer funds)
- iii. European Funding
- iv. Landfill Tax
- v. In kind - this could be officer or volunteer time and donations or loan of equipment, buildings, materials etc. Any officer time used as match funding must be recorded on timesheets which will be provided by the AONB Officer.

The volunteer rate for any grants offered will be outlined within the most recent Wales Council for Voluntary Action "Using Volunteer Time as Match Funding" document.

#### 7.4 Transfer of Funds

Welsh Government should be notified of any likely underspend as early as possible. Failure to do so may affect future settlements. If there is underspend in one AONB Local Authority, unspent funds can be transferred to another AONB Local Authority, as long as both parties are in agreement and this is raised with Welsh Government. It is unlikely that large amounts of funds will be carried over into the next financial year, however, this can be considered in exceptional circumstances and only if Welsh Government Officials are notified in advance and provided with a formal application with a detailed rationale.

#### 7.5 Timetable for Claims

Officers are able to submit claims on a quarterly period. As a minimum it is recommended that nominated officers submit claims to Welsh Government in advance of the following dates to cover the associated periods:

1st December to cover period 1<sup>st</sup> April to 31<sup>st</sup> October  
23<sup>rd</sup> March to cover period 1<sup>st</sup> November to 31<sup>st</sup> March

Nominated Local Authority/AONB officers are required to provide Welsh Government with a summary of information on confirmed projects for the year. A half a page summary for each project should be submitted alongside claim 1.

### **8. Monitoring and Evaluation**

Local Authority auditors will examine the scheme as part of their usual annual audit. All AONB Officers should satisfy themselves that projects have been carried out in accordance with the scheme guidance as set out in this document and under the Compact Agreement. A sample of the projects will be monitored during the funding period.

#### 8.1 Post Payment Monitoring

Post payment monitoring should cover capital items and physical work on the ground. Local Authorities should monitor projects and ensure that the funding has been spent in accordance with the scheme framework and as set out in the applicant's proposal. The AONB Officer should record the number of failures and successes against the projects aims. This information will be submitted to Welsh Government in the form of an annual report as outlined below. Post payment monitoring by the Local Authority should be ongoing and continue until well after the end of the scheme.

#### 8.2 Using the Welsh Government Logo

Acknowledging the Welsh Government is an integral part of the contract and conditions of a grant. The following guidance provides a good understanding of how Welsh Government

would like to be acknowledged - [http://gov.wales/contact\\_us/wglogoguide1/?lang=en](http://gov.wales/contact_us/wglogoguide1/?lang=en). Requests for the Welsh Government logo and artwork approval should be made to [BrandingQueries@wales.gsi.gov.uk](mailto:BrandingQueries@wales.gsi.gov.uk).

## **9. Reporting**

Annual bilingual progress reports will be sent to Welsh Government from the five AONBs by 31 August following each financial year. The end of year report will outline progress against the agreed set of objectives and criteria. The report will also advise on contentious applications dealt with, as well as providing justification for any projects funded exceptionally on a 100% basis.

Reporting is the mechanism by which Welsh Government Officials provide evidence to Ministers on the success or failure of the scheme. It is not for Welsh Government Officials to argue the case for continued funding. Poorly articulated reports will be returned and could put future support of the scheme at risk. Welsh Government Officials are happy to provide feedback on early drafts of the reports.

As part of the reporting system, Local Authorities will be expected to set out what level of support they propose for future years - the level of which will also impact on the future funding considerations of the scheme.

An outline structure of the information required for the annual report is attached in Annex B.

## **APPENDIX 2.**

### **SUSTAINABLE DEVELOPMENT FUND (SDF)**

#### **ASSESSMENT PANEL**

#### ***TERMS OF REFERENCE***

### **1. Objectives**

- a. The purpose of the Assessment Panel is to decide upon allocation of the Sustainable Development Fund (SDF) in the Wye Valley Area of Outstanding Natural Beauty (AONB) based on applications for the SDF in accordance with the SDF Guidelines. The SDF is a delegated grant from Welsh Government administered by Wye Valley AONB Partnership.

### **2. Panel membership**

- a. The Panel is a task-group of the Wye Valley AONB Joint Advisory Committee (JAC) and has executive powers and co-opted members.
- b. Membership of the Panel will be based on the thirds principle:- public, private and voluntary sector, to include those with experience through local and regional organisations and embracing a range of interests such as community, business, environmental, wildlife, agriculture, tourism and recreational interests. The current membership of the Panel is appended.
- c. Nominations and co-options to the Panel will be normally for three years.
- d. Nominations and co-options will be endorsed annually by the JAC in March for the forthcoming financial year.
- e. The Panel will elect a Chairman and Vice-Chairman at its first meeting. In the absence of both, those Panel members present will choose a Chairman for the meeting.
- f. If a member of the Panel has any direct and significant involvement with a proposed project being considered, then they should declare this at the appropriate point on the agenda, and revoke their voting rights for any vote on that project.

### 3. Meetings

- a. Meetings will be held at least once each year and will be serviced by the AONB Unit.
- b. The quorum for a Panel meeting shall be one-third plus one. However previously submitted comments on an application by a Panel member will be recorded as valid for that item. If at any time the number of members falls below quorum the meeting shall be adjourned.
- c. The order of business at each meeting shall be as follows:
  - to receive any apologies for absence
  - receive disclosures of interest
  - approve the Minutes of the last Meeting
  - dispose of business (if any) remaining from the previous meeting
  - report on progress of approved schemes
  - consider applications for grants
  - receive reports on grant applications fast tracked and /or under £3,000
  - any other business.
- d. Decisions by the Panel shall be made by show of hands with the Chairman having the casting vote, after consideration of any previously submitted comments by absent Panel Members.
- e. The AONB officers in attendance shall keep minutes of each meeting, which shall be circulated to Panel members as soon as possible after each meeting.
- f. The outcomes of the meeting shall be reported to the next meeting of the Wye Valley AONB JAC for information.
- g. A fast track process may be initiated in exceptional circumstances where an application needs to be determined before the next Panel meeting. The application will be circulated to members for comment before a fixed deadline. The determination of the application will be made by the AONB Manager and Chairman based on the comments received. The result will be reported to the next Panel meeting.
- h. Applications of less than £3,000 are delegated to the AONB Manager to determine following endorsement from the NRW officer. The result will be reported to the next Panel meeting.
- i. All decisions shall be communicated to applicants within fourteen working days of the Panel meeting, giving the reasons for the decision. Applicants will have a right of appeal to the Wye Valley AONB JAC.

**Wye Valley Area of Outstanding Natural Beauty (AONB)**

**SUSTAINABLE DEVELOPMENT FUND (SDF)**

**Members of the SDF Assessment Panel**

**Public Sector representatives:**

Cllr Mrs Ann Webb: JAC - Monmouthshire County Council,  
*Former Forest of Dean District Council Cllr David Thomson*

**Private Sector representatives:**

*Ms Cathy Meredith: Herefordshire Rural Hub*  
*Andrew Wall: Wye Valley & Forest of Dean Tourism Association*

**Voluntary Sector representatives:**

Mr Ashley Thomas: JAC - Monmouthshire voluntary conservation sector  
*vacant*

**Statutory Agency & Local Authority officers:**

Sarah Coakham: Partnerships Officer - Access, Recreation & Funding,  
Natural Resources Wales (NRW)  
Colette Bosley: Principal Green Infrastructure & Landscape Officer,  
Monmouthshire County Council

**Wye Valley AONB officers in attendance:**

Andrew Blake, AONB Manager  
Sarah Sawyer, AONB Community Links Officer

