

SOUTH DOWNS NATIONAL PARK AUTHORITY

POLICY & RESOURCES COMMITTEE MEETING 23 NOVEMBER 2023

Held at the Memorial Hall, South Downs Centre, Midhurst at 10.30am

Present: Annie Brown, Tim Burr, Peter Diplock, Baroness Jones of Whitchurch, Theresa Fowler, Joan Grech, Melanie Hunt, Jerry Pett, Steven Ridgeon and Vicki Wells.

Co-opted Members of the Committee: Morris Findley.

Independent Members of the Committee: Tom Fourcade and Catriona Aves.

Other SDNPA Members: Vanessa Rowlands (Chair of the Authority), Stephen McAuliffe.

SDNPA Officers: Trevor Beattie (Chief Executive), Andrew Lee (Director of Countryside Policy & Management), Claire Kerr (Countryside and Policy Manager (Eastern Downs), Mark Alden (Nature Based Solutions Manager), Cath Jackson (Strategy Lead – Nature Recovery), Lynsey Robinson (Ecology Planning Lead), Liz Gent (Project Management Lead), Ruth James (Communications and Engagement Manager), Nigel Manvel (Chief Finance Officer), Lynne Govus (Head of Finance and Corporate Services), Richard Sandiford (Head of Governance) Mark Winton (Chief Internal Auditor), Louise Read (Monitoring Officer), and Jane Roberts (Committee Officer).

Also attended by: Sam Page (Project Manager – Changing Chalk, National Trust).

OPENING REMARKS

I02. The Chair opened the meeting.

I03. The Chair welcomed all those present and stated that:

- The meeting was being webcast by the Authority and would be available for subsequent on-line viewing. Anyone entering the meeting was considered to have given consent to be filmed or recorded, and for the possible use of images and sound recordings for webcasting and/or training purpose.
- SDNPA Members had a primary responsibility for ensuring that the Authority furthers the National Park Purposes and Duty. Members regarded themselves first and foremost as Members of the Authority, and would act in the best interests of the National Park as a whole, rather than as representatives of their appointing body or any interest groups.

I04. Within the opening remarks the Chair:

ITEM 1: APOLOGIES FOR ABSENCE

I05. Apologies were received from OlaOlu Adedayo and Mark Fairweather.

ITEM 2: DECLARATIONS OF INTEREST

I06. Annie Brown declared a personal interest in Agenda Item 10, as she owned a farm business that was delivering one of the Changing Chalk projects.

ITEM 3: MINUTES OF PREVIOUS POLICY AND RESOURCES COMMITTEE HELD ON 21 SEPTEMBER 2023

I07. The minutes of the Policy and Resources Committee meeting held on 21 September were approved as a correct record.

ITEM 4: UPDATES ON PREVIOUS COMMITTEE DECISIONS

I08. The Seven Sisters Sewage System Capital Works Project Procurement which came to Committee in September 2023 had gone to tender with a site visit for potential tenderers on 28 November 2023. Tenders would be submitted by 14 December 2023 with the

evaluation taking place shortly after. Mobilisation was scheduled for mid-February 2024 with works to be completed by 10 May 2024.

ITEM 5: URGENT MATTERS

109. There were none.

ITEM 6: PUBLIC PARTICIPATION

110. There was none.

ITEM 7: NEED FOR PART II EXCLUSION OF PRESS AND PUBLIC

111. Officers advised that there was no requirement to consider any item in private session.

ITEM 8: CHAIR UPDATE

112. The Chair provided the following verbal update:

- There was a new Secretary of State for Defra (Environment, Food and Rural Affairs) the Rt Hon Steve Barclay MP.
- Andrew Lee (Director of Countryside Policy & Management) would be retiring in January 2024 and Anita Kerwin-Nye (Director of Landscape and Strategy) would be joining the South Downs National Park Authority (SDNPA) in January 2024 and would be the senior officer for this Committee.
- The next Policy & Resources Committee meeting on 29 February 2024 would take place at County Hall, Lewes. It was the desire of the Authority for Members to be out and about in the park and be accessible in different locations, which would allow different partners and Councillors to attend the meeting.
- The Chair represented Members on the Equity, Diversity and Inclusion (EDI) group. There would be EDI online training for Members to complete via a company called Pearn Kandola Digital, and enrolment details would be sent to Members soon.
- The Committee could have up to 3 Co-Opted Members and were currently seeking a third. A new Member recruitment pack would be shared with all Members so they could support the recruitment process by sharing the vacancy through their networks.
- The River Rother Summit held on 22 November 2023 was the culmination of 3 months work. Attendees included stakeholders, private estates, farmers, and water companies and two SDNPA Members, a total of 40 attendees. The Arun and Rother River Trust would be the lead partner, putting together a vision and action plan, coordinate its delivery and monitor progress, supported by the SDNPA.
- It was the Director of Countryside and Policy Management's last Policy and Resources Committee meeting as he was retiring after a wide-ranging career. The Chair thanked him for the support he had given the committee and his ability to support across the whole SDNPA agenda.

113. Peter Diplock joined the meeting at 10:45am.

ITEM 9: PARTNERSHIP MANAGEMENT PLAN DELIVERY – NATURE RECOVERY AND THE AUTHORITY'S ROLE IN LOCAL NATURE RECOVERY STRATEGIES, THE STRENGTHENED BIODIVERSITY DUTY AND CONSERVATION COVENANTS AS SET OUT IN THE ENVIRONMENTAL ACT 2021

114. The Countryside and Policy Manager (Eastern Downs) introduced report PR23/24-19 and reminded Members of the report contents.

115. Vicki Wells joined the meeting at 11.08am.

116. The Committee commented that:

- Local Nature Recovery Strategy (LNRS) the SDNPA role:
 - The Government had taken some time to appoint the upper tier Councils as Responsible Authorities to deliver LNRS. What was the level of confidence in the quality of work emerging from the counties, and to what extent was the Authority able to ensure that those separate strategies are combined in such a way to support the SDNPA goals?
 - Whilst the Levelling Up and Regeneration Bill required planning authorities to take note of LNRSs, this would only have practical impact if embedded in local authority planning processes, and Local Authority Members can help with that.
 - Were District Councils classified as supporting authorities?
 - Concern was expressed over the number of schemes being rolled out for land managers and the time available to dedicate to this strategy, including by SDNPA staff, especially as there was no pecuniary incentive for LNRS, but other schemes did offer a pecuniary incentive.
 - These constraints underlined the importance of ensuring that all these schemes were properly connected to ensure that messaging was clear and consistent across the Authority.
 - When would there likely be sufficient evidence produced that could be shared with the committee to enable them to see the quality of work being produced? Were District Councils just being included in their planning capacity or was there recognition of their work on the nature recovery agenda? How should the Authority manage relationships with them for maximum impact?
 - It was noted that the Member Workshop on 25 January would be to hear reports on what local district councils were doing in regard to climate action.
- Strengthened Biodiversity Duty:
 - Appendix 3 was a thorough summary and illustrated the complexity of things already existing that needed to be tied together and managed.
- Conservation Covenant Agreements (CCA):
 - Given that CCAs were voluntary was there an intention to offer them proactively?
 - Were there any incentives for private parties to participate, and any consequences for failing to comply with the agreement?
 - How long would a CCA last for? Would they last long enough to make a difference given the timescales necessary for landscape transformation. Was there any flexibility?
 - There seemed to be a helpful synergy between CCAs and Green Finance.
 - Did the Planning Directorate see benefits in being a Responsible Body for CCAs?
 - Could the SDNPA oversee CCAs outside the National Park?
 - A broad range of organisations can apply to become Responsible Bodies. How would the Authority handle an organisation whose desires were inconsistent with the SDNPA's?
 - If a National Park Authority can't be a Responsible Body for conservation, who could? As an early adopter, this could be an opportunity to shape the process.
 - Paragraph 6.2 noted there were short term resource implications, was there potential for income generation or was this just a tool for nature recovery?
 - What was the definition of 'public good' for the purposes of a CCA?

- Were there tax implications for putting land into a CCA?
- Would a CCA open up new income and funding streams if you were a private landowner?
- Unlike a Section 106 agreement, a CCA was tied to the land and not the landowner, which would open up significant biodiversity benefit. The upcoming end to the Basic Payment Scheme may mean low grade land may soon come out of the agricultural system, so this scheme may be of use to them. Whilst the final details were not there yet, this provided more benefits than problems.
- The key development here was the way that value was attached to the natural environment and how that value was recognised. This was a brave new world which came with risks as well as opportunities, and this Authority was probably amongst the most innovative in the country. This was an opportunity to develop a new tool that would enable these transactions, and this Committee ought to tolerate the fact that there were uncertainties and risks to be balanced.

117. Members were advised:

- Local Nature Recovery Strategy (LNRS) the SDNPA role:
 - The Authority was working with and influencing the Responsible Authorities. It sat on the Hampshire LNRS (Local Nature Recovery Strategy) Steering Group, the Sussex LNRS Working Group and Supporting Authorities group. The Authority was supporting the process of evidence gathering and stakeholder engagement. Robust engagement takes time and deadlines are tight, but there was optimism about the potential outcome being strong and robust.
 - LNRS' should include the blueprint for BNG, but the BNG guidance and regulations were still to be issued by Government. The Authority was also awaiting the Partnership Management Plan (PMP) Guidance and Outcomes Framework from Defra/ Natural England, as LNRS' would need to work with the PMP.
 - All local planning authorities were classified as Supporting Authorities, which included District and Borough Councils.
 - There should be sufficient evidence produced by spring or summer 2024, but a General Election may interrupt that timeline. The committee would be kept up to date on progress.
 - The various functions of the District and Borough Councils were relevant, not just planning, but the planning power was what defined the supporting authority category. LNRS responsibility had been given to County Councils and Unitaries, but the onus was on Responsible Authorities to liaise with Supporting Authorities and the impact of LNRS would come from their interconnection with Local Plans. How that alignment was achieved would be key. Experience showed land managers needed trusted consistent local advice, consistency of policy direction from government and realistic funding, and if those were delivered there should be a positive outcome from this process.
- Conservation Covenant Agreements (CCA):
 - There was a 10-week process that must be completed to become a Responsible Body. Once that had been achieved, consideration could be given as to their use and promotion. Applications would be looked at on a case-by-case basis.
 - There was no direct financial incentive for participation, but they could be used to help facilitate and enable the Green Finance work.

- There was the potential going forward for CCAs to be used in situations where Section 106 agreements could not be used. There was also scope for use where a land straddled administrative boundaries. There could be opportunities for CCA use where a landowner wished to monetise BNG and other ecosystem services and sought a third-party body to secure the land.
 - The Authority had strict enforcement protocols as part of its Local Planning Authority role and would look to use those for CCAs as it did for Section 106 agreements.
 - The length of a CCA would be negotiated depending upon the reason for the agreement. BNG required a 30 year timeframe, whereas Nutrient Neutrality had a 125 year timeframe.
 - The short-term resource implications were around the application process to become a Responsible Body. There was uncertainty around how CCAs could be applied but without this tool opportunities for Nature Recovery may be missed.
 - CCAs would grant greater flexibility, as they were positively worded, whereas Section 106 agreements were negatively worded. They would allow greater co-ordination with nature recovery work – another tool in the toolbox for nature recovery action. CCAs would also increase the Authority’s ability to work with host authorities on BNG networks.
 - This was a new area to explore, and without the power of competence, extreme caution should be taken working outside of the National Park. Whilst there were great opportunities here, there was a need to be aware of the risks and enforcement consequences to the SDNPA. As this was new, this was a learning process and there would be changes as this developed.
 - Responsible Bodies were not geographically or spatially limited, so other administrative bodies could be responsible for CCAs within the National Park.
 - ReNature was considered a public good for CCA purposes and was imbedded in the Environment Act 2021.
 - The landowner was responsible for tax implications.
 - Nature based solutions and environmental markets provided tools to empower landowners and these legal agreements would play a significant role in securing the land base sector and rural economy by filtering private finance into nature recovery.
118. It was proposed, seconded and resolved to amend recommendation 4 to “Note the requirement under the Biodiversity Duty for the SDNPA to produce a Biodiversity Report by 1 January 2026 and support officers’ efforts to align and integrate reporting mechanisms with existing Park Management Plan reporting mechanisms to avoid duplication.”
119. **RESOLVED:** The Committee
- In relation to recommendations 1-4:
1. Noted and welcomed the Authority’s role as a Supporting Authority in relation to Local Nature Recovery Strategies, under The Environment (Local Nature Recovery Strategies) (Procedure) Regulations 2023;
 2. Noted and welcomed the application of the strengthened Biodiversity Duty to the SDNPA, under the Environment Act 2021, and the implication of its application to other bodies which have a significant impact on the National Park;
 3. Considered and endorsed the Authority’s “consideration” (see Appendix 3) of what the Authority can do to conserve and enhance biodiversity, in accordance with its

Biodiversity Duty, and note this will have been made by the deadline of 1 January 2024; and,

4. Noted the requirement under the Biodiversity Duty for the SDNPA to produce a Biodiversity Report by 1 January 2026 and support officers' efforts to align and integrate reporting mechanisms with existing Park Management Plan reporting mechanisms to avoid duplication.

In relation to recommendations 5-7, the Committee recommended the National Park Authority to:

5. Delegate authority to the Chief Executive, in consultation with the Chair of the Authority and the Chairs of the Authority's Planning and Policy & Resources Committees, to:
 - a) Approve and submit a response to the Responsible Authority on any pre-consultation draft of a Local Nature Recovery Strategy within 28 days as required by the Authority's role as a Supporting Authority under The Environment (Local Nature Recovery Strategies) (Procedure) Regulations 2023;
 - b) Consider the pre-publication draft of any Local Nature Recovery Strategy and, if the Chief Executive considers that the a draft strategy cannot be justified based on the results of the consultation or that it is materially deficient, to submit a publication advisory notice to the Responsible Authority within 28 days, as set out in regulation 15 of The Environment (Local Nature Recovery Strategies) (Procedure) Regulations 2023; and,
6. Note that any response or notice submitted under these delegations pursuant to recommendation 5 shall be reported to the next meeting of the National Park Authority after the response or notice has been submitted.
7. Agree that the Authority apply to Defra to be designated as a Responsible Body for Conservation Covenant Agreements, pursuant to part 7 of the Environment Act 2021, as an important additional tool to support nature recovery in the South Downs National Park.

120. The Committee adjourned for a break at 12.15pm

ITEM 10: CHANGING CHALK – PROJECT UPDATE

121. The Countryside and Policy Manager (Eastern Downs) introduced report PR23/24-20 and reminded members of the report content.
122. The Committee commented that:
 - The presentation was inspiring, Changing Chalk had become part of people's day to day life around Eastbourne, and the Big Dig was also an excellent project. Both great and exciting schemes.
 - One square mile of chalk grassland was being restored but this was in the context of the entire National Park. Was the objective to recreate larger areas of continuous chalk grassland? How was the project area chosen initially? Was there an appetite from the National Trust (NT) to do more in the West?
 - How would the learning from the project be shared, so that best practice and successes could be shared? Was the Big Chalk Project a sequel to Changing Chalk (CC)?
 - Officers were thanked for the diversity work on the project, and it was an interesting spin on heritage with the scope widened to include a diverse group of people beyond just landowners.
123. Members were advised:

- Page 27, Paragraph 1.3, typo, should read ‘Autumn 2021’ not ‘Autumn 2022’.
- Chalk grassland made up four percent of the SDNP and preserving what remained was a top priority. There were areas that were difficult to graze with complex issues. There had been a chalk grassland survey across the SDNP, and that survey highlighted that sites in the east needed focussing on. There was a partnership with the Heritage Lottery Fund, moving towards making everyone welcome with inclusion and access, for people to engage.
- The Big Chalk Project was like a Southern equivalent to the Great North Bog, and Changing Chalk developed from it as a bid to the Heritage Lottery Fund. The legacy was that Big Chalk now had Defra funding to go further and cover all chalk landscapes. The Changing Chalk project was halfway through delivery and learnings were currently being identified. A good example was the Sussex Graze initiative with the Brighton & Hove Food Partnership.
- The NT was breaking new ground, leading a partnership beyond its own estate, working with partners to tackle strategic priorities, building stronger partnerships, and sharing lessons learnt. There would be an external evaluation report for those involved in Big Chalk, and an interim report which would be shared next year.

124. **RESOLVED:** The Committee noted the Changing Chalk Project update

ITEM 11: CORPORATE PERFORMANCE REPORTING SCHEDULE

125. The Project Management Lead introduced report PR23/24-21 and reminded Members of the report content.

126. The Committee commented that:

- Streamlining the reporting would make the best use of Officer time and was a clearer format, without information overload.
- The new bulletin was a great way of informing both Members and Officers.
- There previously had been a standalone report on communications. What was the communication policy and how would it be done in this monitoring process?
- The Learning and Improvement report was highlighted and Officers were encouraged to deliver direct information, engaging with both positive and negative aspects so that Members could engage in a constructively critical way.
- Any exceptional Health and Safety matters should be reported as soon as possible.

127. Members were advised:

- There would be a discussion with the Communications and Engagement Manager on producing a standalone communications policy and monitoring progress report.

128. **RESOLVED:** The Committee approved the revised Corporate Performance Reporting Schedule as set out in Appendix I.

ITEM 12: Q2 CORPORATE PERFORMANCE REPORT 2023/24

129. The Project Management Lead introduced report PR23/24-22 and reminded Members of the report content.

130. The Committee commented that:

- Pleased to see the data had been sent to Defra, had there been any response?
- Was the pipeline of Whole Estate Plans (WEPs) slowing down?
- Could the actual month the annual reporting took place be inserted into the report?

131. Members were advised:
- Every quarter and every annual review had been sent to Defra on time and there had never been a response on any of the material provided.
 - Whole Estate Plans (WEPs) were not slowing down, with estate visits in the diary for February and May 2024.
 - Annual reporting would be presented at the end of year Policy and Resources Committee but officers would look into inserting the month the actual report was completed.
 - Reporting trends would start to evolve once the time series data had been gathered.
132. **RESOLVED:** The Committee received and considered the Q2 Corporate Performance and Projects Report 2023/24.

ITEM 13: Q2 SOUTH DOWNS COMMERCIAL OPERATIONS LIMITED PERFORMANCE REPORT 2023/24

133. The Head of Governance introduced report PR23/24-23 and reminded Members of the report content.
134. The Committee commented that:
- South Downs Commercial Operations Ltd (SDCOL) had budgeted for a £63k loss, and year to date was at a £45k deficit. Was the company still expecting a £63k loss?
 - Would the Countryside Stewardship Scheme (CSS) be live by the end of January 2024?
 - Would the first of the Foxholes Cottages be ready to take bookings by the end of November 2023? How would they be marketed?
 - On the Q3 report, would be interested to know the outcomes of the survey report on visitor profile and Visit England accreditation.
135. Members were advised:
- The £63k loss would increase due to an unexpected water leak. The directors were looking at actions that could be taken to address the deficit.
 - With regard to the CSS, an offer was expected very soon from Natural England, with a Company response due by the end of the month.
 - One of the cottages was targeted to be available to rent the end of November 2023 with the rest available in early 2024. Until all three were ready, the interim plan was to market and let the first cottage through Airbnb, then a third party would be appointed to market and manage the accommodation offer as a whole. The third-party provider had yet to be appointed. SDCOL had recruited a second external director to the board who had previous experience of setting up and managing holiday accommodation.
136. **RESOLVED:** The Committee received and considered the Q2 South Downs Commercial Operations Limited (SDCOL) performance report 2023/24.

ITEM 14: CORPORATE RISK REGISTER

137. The Head of Governance introduced report PR23/24-16 and reminded Members of the report content.
138. The Committee commented that:
- Risk 1, had an external Health and Safety Consultant (H&S) been appointed? There were concerns the gap would heighten the risk.
 - Risk 30, had there been any updates?

139. Members were advised:
- Risk 1, SDNPA were currently in negotiations to seek a new external H&S Consultant. Should this not prove successful there were other companies that could provide this service.
 - Risk 30 has been added to the corporate risk register in relation to the host authorities and section 101 planning agreements.
140. **RESOLVED:** The Committee received and considered the Corporate Risk Register as at November 2023.

ITEM 15: BUDGET MONITORING REPORT 2023/24: MONTH 4

141. The Chief Finance Officer introduced report PR23/24-25 and reminded Members of the report content.
142. The Committee commented that:
- As part of Green Finance work the SDNPA was holding funds for monitoring costs over the next 30 years which made the reserves look artificially large.
 - Paragraph 3.5 showed capital schemes with £1.2m in the budget, by mid-year only £200k had been spent, leaving £1m to be spent in the second half of the year. Why were the spends so lopsided and would there be a large underspend?
 - Uncertainty with the cost of inflation was having a huge negative impact on the rural economy.
 - Some of the South Downs National Park signs had no 'Thank you for Visiting' wording on the back, was there a reason for this?
 - Had there been any update on Service Level Agreements?
 - It was noted that any financial implications from the SLA negotiations would be included in future Member finance workshops.
 - Was the Community Infrastructure Levy (CIL) money held in the Capital Reserve bearing interest?
143. Members were advised:
- Paragraph 3.2, the potential adverse impact on the Green Finance Initiative was a result of the aborted LURB amendment and an announcement by Government of legislation that had subsequently been withdrawn. The team have done well in the maintaining the momentum of the programme during a period of uncertainty.
 - The monitoring obligations for the Authority were up to 125 years.
 - Capital programme tenders are in hand for much of the work, but there would likely be some slippage into the next financial year. As approval for these works had only been provided at the end of the last financial year, the process had led to a back loaded spend profile.
 - Some of the South Downs National Park signs has no 'Thank you for Visiting' wording on the back due to safety issues. The angle of some signs meant any wording on the back could be a distraction and so was omitted in accordance with Highway Authority advice.
 - The agreement of SLAs with Host Authorities was ongoing and was a regular process that continued to be worked through. Three SLAs had been completed and were in negotiation with two more. Performance matters were picked up during this process. Until the SLAs were agreed the risks to the Authority related to these remained.

- The SDNPA did invest CIL monies and received interest.
- I44. It was noted that of the three capital variations listed in Appendix 2, the Reed Bed had been approved by the CEO as an urgent action and the Trading Company loan had been approved by the NPA on 11 July 2023, so only the Camping Barn required approval by the National Park Authority.
- I45. **RESOLVED:** The Committee:
1. Noted the 2023/24 Revenue Forecast position as at month 6 of a net (£52,000) below budget variance.
 2. Noted the 2023/24 Capital Forecast position as at month 6 of a zero-budget variance and recommended that the National Park Authority (the “NPA”) approve the additional Capital variation as set out in Appendix 2.
 3. Noted the Reserves position as at month 6, as set out at Appendix 3.
 4. Noted the Treasury Management overview and position as at month 6, as set out at Appendix 4.

ITEM 16: INTERNAL AUDIT PROGRESS AND IMPLEMENTATION

- I46. The Chief Internal Auditor introduced report PR23/24-26 and reminded Members of the report content.
- I47. The Committee commented that:
- Did the Authority’s investment portfolio include sustainable and ethical investments and how often were they checked against that criterion?
 - Would there be an Internal Audit Progress and Implementation Report for the P&R Committee on 29 February 2024?
- I48. Members were advised:
- There were a variety of investments across a range of portfolios and the markets were tracked by commissioned treasury advisors (Link Asset Services). The Authority’s investment strategy was focused on liquidity and security which concentrated on time limited secure investments with a guaranteed return with high credit rated institutions. The investment strategy could be changed and would require decisions to be made around risk appetite.
 - An Internal Audit Progress and Implementation Report was expected to be provided for the P&R Committee on 29 February 2024.
- I49. **RESOLVED:** The Committee noted progress against the Internal Audit Strategy and Annual Plan (2023/24).

CHAIR

The meeting closed at 13.12pm