Nature Restoration Fund 22/23

Process and Methodology for officers

Contents

1   BACKGROUND AND PURPOSE

1.1   Background

The NRF is a Scottish Government 5 year commitment 2021-2026 and the Council received notice in late May 2022 of the 22-23 funding of £176,000.

1.2   Purpose

The Scottish Government has set out the parameters of the grant given to Local Authorities. All spend must accord with these parameters.

Purpose of the fund: "nature restoration and improving biodiversity on land and in the seas"

Focus: "addressing drivers of biodiversity loss, namely habitat loss and fragmentation, and invasive non-native species – *particularly in rural biodiversity*" NOTE NRF does not exclude projects from urban and peri-urban areas which can be shown to address its **purpose** and **strategic themes**.

Criteria: to support new, or to enhance existing, approaches that **further biodiversity** which adhere to the following:
  * deliver positive effects for biodiversity **and** enhance local ecosystems
  * address the climate emergency and its impacts through mitigation and adaptation **and** by promoting nature based solutions

Themes:
  * Habitat restoration – management for enhancement and connectivity
  * Freshwater restoration, including hydrological change
  * Eradication of invasive non-native species impacting on nature
  * Coastal and marine management to promote restoration and resilience

Examples:
  * equipment for maintaining wildflower areas
  * improving the condition of Local Nature Reserves
  * developing local nature networks through planting
  * greening active travel routes
  * natural flood management actions
  * removing non-native species.

1.3   Rules and Conditions
  * Light touch report back to Scottish Government by 26 May 2023
  * Projects can be 3rd party assets but must be capital spend. This can include design costs provided it is directly connected to the delivery of the project.
  * Projects can be multiyear but the projected spend in any one year must be spent.

2 Governance

2.1 Supervision and Decision-Making

All procedures and decisions on projects will be agreed by a working group of officers with involvement and expertise in biodiversity, greenspace projects, community work and managers, along with representatives of the Climate Change Board. Recommendations will be signed off at the appropriate level subject to delegated authority.

Sustainable Development team leader, Climate Change board member
Development Plan team leader
Planning Officer for biodiversity policy
Biodiversity/Tree Officer
Tayside Biodiversity Partnership co-ordinator
Senior Community Greenspace Officer
Community Greenspace Manager
Community Planning and Policy Team Leader

Projects will be approved by the Planning & Housing Strategy Manager and Enterprise & Investment Manager, under the delegation of the Executive Director (Communities).

Administration of the fund and supervision of finances will be carried by appropriate Council staff including the roles of co-ordinator, administrator and finance co-ordinator

2.2 Accountability

2.2.1 Authority

Delegated authority to the Executive Director (Communities), is requested of the Climate Change and Sustainability (CC&S) Committee.. The Committee is also be asked to approve the split of projects between communities and PKC spend.

2.2.2 Reporting

- The working group will send a briefing to Councillors at the earliest opportunity following grant of funding to advise of the projects and communities receiving funding.
- Projects receiving funding will also be notified on a dedicated Perth and Kinross Council (PKC) Nature Fund page and in a press release.
- A briefing to all Councillors will be completed on completion of 22/23 projects.
- A report to CC&S in Spring 2023 will include financial details of 22/23 and notification of the 23/24 funding and notification of procedure.
- A report to Scottish Government will be completed and notified to the Sustainability and Climate Change committee before being submitted in May 2023.
- A press release and public report will be distributed following reports to Scottish Government and Councillors.

3 Allocation of Funds

3.1 Principles of PKC allocation of funds

Allocation of funding to community or internal projects:

- Must accord with the purpose, criteria and themes of the fund allocation; and
- Must provide additionality for biodiversity over and above business as usual; and

- Must be on land accessible to the public or designated for its biodiversity (e.g. SSSI)
- Must be led by an established organisation or community group
- Should support actions in the Tayside Local Biodiversity Action Plan; and
- Should provide opportunities for a variety of project types, size and geographical spread.
- Multi year projects will be accepted and, subject to funding, will be given priority over new projects the following year.

3.2 Application and Grant Process

1. Community Greenspace, and other internal departments are invited to set out their projected spend against individual projects with a description, cost and details of location and community involvement. These will be assessed by the working group to ensure they meet the essential criteria set out below. The total amount to internal projects will be considered to ensure that there is an appropriate amount available for community projects. Council projects and projected spend against each project must be identified by July 31 to inform the funding split to be reported to committee in August. Tayside Biodiversity Partnership projects will also be able to submit projects on a simplified template.

2. Following awards to Council departments, a final budget amount will be communicated to the Finance Team. The remainder of the fund will be made available to other projects in the community led by community groups, landowners or non-profit organisations. Projects in the community must submit a detailed application form and will be assessed against a criteria matrix. Projects led by community groups with support of TBP must submit their own detailed applications. Organisations must be constituted or for unconstituted community groups evidence at least 12 months of activity such as a bank statement.

3. An Enquiry Form (https://forms.office.com/r/LVGsuG4vXD) is available on the PKC Nature Restoration webpage www.pkc.gov.uk/naturefund for those who are unsure of whether their project meets the essential criteria. Enquiry forms will be reviewed by the administrator in consultation with the co-ordinator and working group as required. Enquiries are recorded on a spreadsheet by the administrator. Responses should be provided back to enquirers within 1 week unless further information is required and recorded on the spreadsheet.

4. Applications are invited from mid July on the advice that they will be considered from 31 August i.e. following the August committee. Grants will be awarded on a first come first served basis, provided they meet the criteria, with a final deadline by 30 September 2022; although extensions can be made if funds remain available. Applications are to be sent to naturefund@pkc.gov.uk.

5. The administrator reviews each application as they come in, records the details on the NRF projects spreadsheet, assigns an NRF22 number and requests any further information. Any queries over acceptability of cost items or project as capital spend should be referred to the Finance Team.

6. The administrator, co-ordinator and finance co-ordinator assess the projects against the project checklist (Appendix A) and provide comments for working group. The working group reviews and recommends project to the managers of Planning & Housing Strategy and Investment and Enterprise Manager to approve or decline the application, under their delegated authority

7. All decisions must be minuted.

8. Unsuccessful applicants are advised of the reasons why their application was unsuccessful and where possible invited to amend their application within 3 weeks of the full application being received.
9. The successful applicant is sent a grant letter, an acceptance template and a template for claiming funds against invoices. These are sent by the administrator within 4 weeks of the date of first consideration of claims or the date the complete application is received, whichever is later.
10. The administrator ensures that applicants return grant acceptance forms within 2 weeks of the grant advice.
11. Following allocation of all funds, a final project list is provided to the Finance Team.

3.3 Criteria

The criteria are drawn from the Scottish Government themes and purpose but also draw in the criteria of the Local Authority fund to ensure robust consideration of the funding.

3.3.1 Essential Criteria

- The outcomes of the project must be:
  - Creating, restoring or enhancing natural habitat including water OR
  - Creating or connecting habitat corridors, pollinator highways or other natural networks OR
  - Removing invasive species OR
  - Providing natural solutions that further biodiversity AND address climate change.
- Projects must be on land accessible to the public OR land that is designated nationally or locally for its biodiversity
- Project spend between £1,250 and £12,500
- Capital spend only. See Project and Claim Finance Rules below.
- Projects must demonstrate they are deliverable and achieve acceptable value for the money granted. Sufficient certainty of monitoring and maintenance must also be provided.

3.3.2 Desirable Criteria:

Projects are also encouraged to meet the following goals. These criteria will encourage applicants to consider community involvement and will support reporting to Council.
- directly supports an action in the Tayside Biodiversity Action Plan
- tackles inequality in access to nature or supports education objectives
- improves community health and wellbeing

3.3.3 Other information required at time of application

- Statement of landowner permission
- Location: to promote a spread of projects across Perth and Kinross. To this end, only one project will be accepted from an organisation in each location.
- Detail of maintenance arrangements or in principle agreement of maintenance, including by Community Greenspace or Education Services.
- Proof of organisation is constituted OR proof of 12 months activity (this may not be needed for every organisation).
- Names of other organisations or community groups involved
- Any match funding that the project will leverage , and a copy of the match funding grant

- Annotated map or drawing of area included in project (to support Scottish Government requirement to report on the area)
- Whether the project is multiyear or is supporting a larger project.
- Estimated itemised spend
- Commitment to only plant trees native to Scotland (list to be provided).
- Commitment to ensuring all other planting as of proven benefit to biodiversity (i.e. on the RHS plants for pollinators list)

4 Project Monitoring and Finance Administration.

It is important that projects are monitored so that help is given where required, money is being spent in fulfilment of the allocated grant and funds are reallocated if a project is underspent. Finance rules are governed by the rules of the Capital Grant so it is important that projects can claim fall within these rules and this process may be subject to internal or external audit.

4.1 Project Monitoring

8 January 2023: An **interim project report template** is sent out and made available on the webpage.

29 January 2023. Grantees are required to provide **an interim project report** against their indicative timeframe. Grantees are encouraged to review their projected spend at this stage. No further invoices will be paid until this is provided.

13 February 2023. The administrator **reviews interim reports** for progress and discusses with the grantee any barriers that may require assistance. The finance co-ordinator **reviews progress against budget** and projected budgets and along with the administrator makes recommendations to the working group of any potential under or overspend and amendments to grant required.

20 February 2023. Interim recommendations by the working are made and the administration team **discuss these with the finance team**.

27 February 2023. Where **agreed grant amendment letters are signed off** as per initial grant letters.

24 March 2023. The administrator sends out a **final project report template** with a reminder of the approaching end of the project, the need to submit invoices by 14 April and that all invoices must be dated March 31 or earlier. The template is made available on the webpage.

At this stage the administrator encourages grantees to raise any issues with completion so that advice can be provided if necessary.

April 31 2023. The **final project report is required** by one month of the end of the project.

4.2 Finance Administration

4.2.1 Project and Claim Finance Rules

- A project must be a capital project.
  This means the end goal must be purchase of equipment or improvement to land. It must not be ongoing maintenance or studies. Examples of capital projects include

- one off restoration of a woodland, heathland or pond that will then be maintained in that condition
- purchase of equipment to be used for nature restoration purposes
- removal of invasive non-native species on land or in water (i.e. plants)
- earthworks such as remeandering of waterways or rewatering of peatlands
- planting of areas of new habitat.
- Contractor costs to carry out any of the above.
- Expenses can be non-capital but only where they are necessary to realise the capital project. This may include:
  - Design costs
  - Surveys that are necessary to inform the final design
  - Initial aftercare to ensure success e.g. watering of newly planted trees.
  - Training of volunteers to deliver the capital project
  - Initial training of volunteers to carry out required maintenance.
- Expenses include VAT for external claims (only) where applicable. Council projects including projects run by the Tayside Biodiversity Partnership are exclusive of VAT.
- Projects can be on non-Council land and include spend on equipment that will be used for the purposes of management for nature
- Projects can be multi-year. However, the allocated spend in any one year must be completed. This includes project expenses that fit within the rule regarding non-capital expenses i.e. surveys in Year 1 to inform a capital project in Year 2.
- Funds will only be provided on receipt of a claim form and invoice which clearly states the goods ordered.
- Projects that have not submitted an interim finance report following the due date will not have any further claims put forward to the finance admin team until that report is received.
- Final claims must be accompanied by a final project report.

4.2.2 Finance Monitoring Process

Before proceeding to the working group for consideration, projects that are put forward by the administration team with a recommendation are passed to the financial administrator. The finance team can provide comment on whether or not the project or any specified items fall outside the rules. Projects or claims that do not meet the rules cannot be granted funding.

Once proposed projects' requested amounts exceed the total PKC budget, the public are notified that further applications will not be considered but applicants should consider working on them in order to bring forward immediately when the following year's fund opens.

When projects are granted the finance administrator enters the approved budget amounts.

Grantees fall into 4 categories:
1. Community Greenspace (CG)
2. Tayside Biodiversity Partnership (TBP)
3. Other PKC departments including schools; and
4. External organisations

CG has a separate budget code set up for their NRF spend.

TBP and other departments each have their own budget codes but not a dedicated NRF budget.

CG and TBP must enter their project codes into PECOS on the noteline when ordering.

4.2.3 Claim Process

All grantees are sent a claim form template with their grant advice letters and should use this for submitting claims.

1. Community Greenspace
   - CG has their own budget code for NRF spend
   - Greenspace orders through PECOS must have the project code in the note field
   - Community Greenspace requests a monthly transaction listing report from the Finance Admin Team, checks or updates project codes and submits to the finance co-ordinator (FC) to update the project spreadsheet.
2. Tayside Biodiversity Partnership
   - TBP orders through PECOS must have the project code in the note field
   - TBP requests a monthly transaction listing report from the Finance Admin Team, checks or updates project codes and submits to the finance co-ordinator (FC) to update the project spreadsheet.
   - Finance process payment via monthly journal
3. Internal Claimant (other PKC departments such as schools)
   - Where possible claimant purchases through PECOS and inputs project code in note field
   - Claimant sends in claim form and copies of invoices
   - FC checks and processes claims in 7 days
   - Finance team processes the claim via journal in 7 days from receipt
4. External Claimant
   - Claimant sends in copies of invoices and claim form
   - FC checks and processes claims in 7 days
   - Finance process payment as sundry payment in 7 days.

5 Preparation for 23/24

Dec 2022	All council departments should be engaged with by end of 2022 to encourage development of bids for next round of the Edinburgh Process competitive fund.
Jan 2023	TBP, Greenspace, other PKC departments asked to start considering projects for 2023. Reminder about competitive fund.
March 2023	All forms etc prepared in draft form.
30 April 2023	Report on last year's fund to Councillors / committee along with draft report to Scottish Government.
May 2023	On announcement of 2023 funding pot, Councillors notified of funding allocation and intention to follow same process as last year, subject to review of arrangements

6   APPENDICES

6.1   Appendix A: Project Checklist

Projects must	
Meet the **purpose** and one of the **themes** of the PKC Nature Restoration fund	Y / N
Provide sufficient detail to assume **deliverability** by 31 March.	Y / N
Be from an **organisation** with proof of incorporation/ constituted status or a community group with 12 months of activity	Y / N
Have landowner **permission**	Y / N
Be on land with **public access or designated** for its biodiversity	Y / N
Be a **capital** project	Y/ N
Be between **£1250 and £12500** incl VAT	Y /N
Provide details of required **maintenance** provided and have sufficiently certain maintenance arrangements in place.	Y/N
Provide details of and sufficiently certain arrangements for **monitoring** of success.	Y/N
Have a **value** at least proportionate to funds sought	Y/N
Projects with additional value:	
Support a Tayside LBAP action	Y / N
Have community support	Y / N
Have community participation	Y / N
Support communities of varying needs or education objectives	Y / N

6.2 Appendix B: Conditions of Grant

a. The Grant shall only be used for the purposes of the Project as outlined in the application form and for no other purposes whatsoever.

b. No part of the Grant shall be used to fund any activity or material which is party political in intention, use, or presentation or appears to be designed to affect support for a political party.

c. Any proposed changes to the Project as described in the application form must be approved in writing by Perth & Kinross Council, otherwise this may lead to a delay in or refusal of payment. Please email naturefund@pkc.gov.uk with any proposed changes.

d. The Grantee where Perth & Kinross department shall claim the Grant by first including the project number in the notes field when submitting orders in PECOS; then submission of a monthly transaction report; OR

   The Grantee where an organisation in the community shall claim the Grant by submission of copies of invoices and completion of the claim form in Schedule 2. Invoices must be scanned or photographed and emailed to naturefund@pkc.gov.uk along with the claim form.

e. Where any payment has been made in error or invoiced goods or services have not been delivered or implemented, Perth & Kinross Council reserves the right to secure return of the payment.

f. The Grantee shall provide an interim progress report no later than 29 January 2023 detailing work that has been completed and a timeline for completion of the remainder of the Project and identifying any barriers to completion or work that may not be completed. The Grant may be reduced if it appears that the Project is unlikely to be completed by end of year.

g. The Project or projected phase of project shall be completed by 31 March 2023. Invoices must be for goods or services received by 31 March 2023 or earlier.

h. Final claim forms and invoices must be received by 7 April 2023.

i. The Grantee shall within one month of the completion of the Project provide a project report including photographs demonstrating that project as set out in the application has been delivered. Final project claims will not be processed until a completed project report is received.