

GUIDANCE FOR THE OPERATION OF THE NATIONAL LANDSCAPE SUSTAINABLE DEVELOPMENT FUND

Established in 2001, the Sustainable Development Fund (SDF) supports innovative, sustainable projects, including prototyping and piloting, in Wales's five National Landscapes¹ (NLs), and is open to reasonable managed risk by applicant and the NL body administering. The Fund is divided equally between the five NLs.

The SDF should support projects that aim to enhance and conserve natural beauty, wildlife, culture, landscape, land use and community within the context of the goals and sustainable development principles of the Well-being of Future Generations Act, and Welsh Government and international priorities.

This document provides guidance on how the Welsh Government co-ordinates the Fund and how it is to be administered by Local Authorities and NL Officers in Wales's NLs.

1. The Purposes

When administering the Fund, NL SDF Officers and governing bodies should ensure that all projects deliver on the following purposes:

- i. To explore **innovative** ways of contributing to the opportunities and challenges set out in the Welsh Government's current agenda for the environment and sustainability, including, specifically, the **Well-Being and Future Generations (Wales) Act 2015** and the **Environment (Wales) Act 2016**
- ii. To assist in tackling the **Biodiversity loss and Climate Change Emergencies**. To give precedence to these twin emergencies, 60% of programme funding² must be ringfenced for projects whose primary aim is to address and mitigate against biodiversity loss and climate change
- iii. To build capacity in local communities, and to develop and support community-based projects promoting sustainable development objectives.
- iv. To generate greater awareness and understanding of sustainability amongst residents and visitors, and facilitate positive behaviour change through communication and promotion of the projects and fund
- v. To deliver and promote the purposes of the NL and the objectives as set out in the NL Management Plan.

2. Eligibility

Local Authorities, voluntary, community, and partnership groups are eligible to apply for funds as long as the proposed project meets the above purposes. Projects should be located within or should directly benefit one or more of the Welsh NLs. For organisations to receive funds they must 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 NL(s). All applications should be subject to the same rigorous assessment procedure. The applicant will be entirely responsible for identifying and obtaining any required permissions and licences, for example, planning permission and environmental consents.

From time to time SDF can be used to support an aspect of a wider project. In this circumstance

¹ Following a rebranding exercise by National Landscapes Association 4 of the 5 Welsh as Areas of Outstanding Natural Beauty (AONBs) rebranded as National Landscapes for marketing purposes. The bodies remain as AONBs in legislative terms, but for brevity will be referred to throughout this document as National Landscapes (NLs).

² This will be phased in from FY 26-27 to allow pipeline projects from earlier FYs to be completed

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/NL meets the costs of the project or for the funding to be returned.

Projects must be new and funding cannot support projects that have already commenced, unless the application is for a new phase or specific element

Funding is not intended to sustain ongoing services or projects; e.g. events, infrastructure and amenities.

It is the responsibility of the NL officer to inform Welsh Government officials if a wider project does not complete, in line with the Grant Offer Letter.

3. Welsh Government Priorities

3.1 Applicants must ensure that projects reference the following priorities were relevant, and should provide weighting on the specific outputs and outcomes at time of reporting.

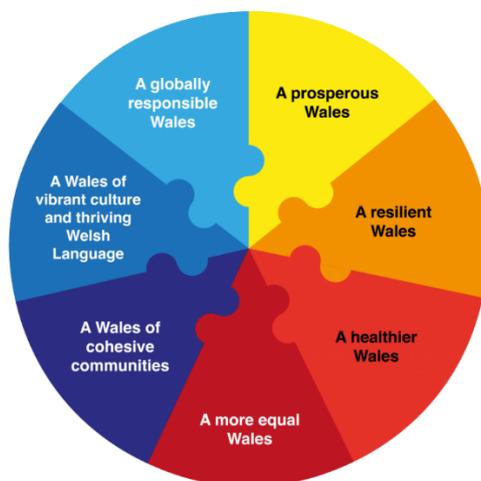
It is essential that all projects meet one or more priorities set out in *Valued and Resilient: the Welsh Government's Priorities for Areas of Outstanding Natural Beauty and National Parks*, (2018). It sets out four key themes for the designated landscapes and the bodies that manage them.

- **Valued Places**
- **Resilient Environments**
- **Resilient Communities**
- **Resilient Ways of Working**

Implicit within all themes, and mindful of the Climate and Nature Emergencies declared by the First Minister, is that the designated landscapes must strive to identify, safeguard, and realise the benefits from the public goods they protect for all the people of Wales.

3.2 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 need to demonstrate how they contribute to the Goals.



3.3 The **Natural Resources Policy** facilitates the implementation of the **Environment (Wales) Act 2016** and should also be considered in developing and assessing SDF projects. It 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

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

- Improving ecosystem resilience
- Climate change and the decline in biological diversity

3.4 The **30x30 target** refers to protecting and effectively managing at least 30% of our land freshwater and sea for nature by 2030. It is one of a number of targets which form part of the Global Biodiversity Framework (GBF), and signed up to by UK and Welsh Government, which has carried out a Biodiversity Deep Dive to recommend how to meet this target in Wales. Central to the GBF is the concept of ecosystems with high integrity, connectivity and resilience.

3.5 The delivery of the SDF through **partnership working** is crucial to ensuring effectiveness. Projects that encompass joint working with other NLs/National Parks, the voluntary/community sector, or other partners, should be prioritised. This is a key priority for the Welsh Government, which has established Tirweddau Cymru, the national partnership for Designated Landscapes, to facilitate and promote collaboration.

3.6 Innovation is at the core of this Fund and should guide all applications. For the purposes of the Fund, innovation can be viewed as something that:

- involves the creation of new ideas, products or services.
- involves transforming creative concepts into tangible outcomes that improve efficiency, effectiveness, or address unmet needs.
- uses new or novel ideas and approaches to solve existing problems

While, projects may not always succeed in their primary outcome, the knowledge gained from failure is equally valuable. Applicants/Officers should outline both their innovative vision and how they will capture and share lessons learned, ensuring that even unsuccessful outcomes contribute to the broader advancement of knowledge and future success.

4. Promotion of the Fund

Every NL unit must proactively promote the Fund to a wide range of stakeholders and groups within the NL.

It must maintain a web-page including but not limited to the below containing the following details and updated regularly.

- Guidance for applicants including criteria for assessment and application timescales
- Guidance on how to apply/application form examples
- Details of successful and unsuccessful projects considered by the Panel (this could be in the form of minutes/record of decisions)
- Previous SDF Annual Reports within a rolling 3 year timeframe
- Examples of good projects / case studies

5. Application Process

Guidance and application forms must be available on an NL webpage and promoted through other means such as email contact, leaflets, posted hard copy.

Having first discussed the proposed project with the NL SDF Officer, the applicant will submit an application. Before the project is discussed by the Assessment Panel, the NL SDF 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. Eligible and/or suitable source of match funding has been identified and confirmed
- iv. the application meets Welsh Government priorities, NL purposes and criteria of the Fund.
- v. The application has clear and measurable outputs and outcomes identified for each project,

which will be reported upon at end of year.

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

Once these validation checks are complete, 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.

Applications 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 NL 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 formally note all supported projects.

6. Application Assessment

6.1 Assessment Panels

Assessment Panels have been set up for each NL as subgroups of Joint Advisory Committees (JAC) or Partnerships. Panels should comprise public, private and voluntary representatives, and ensure a balance of interests across social, community, economic and environmental sectors and be representative of the communities they serve.

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 a conflict of interest if they have any direct and significant involvement with the proposed project, or a financial connection to the applicant, and remove themselves from any engagement with the decision making process.

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

Fund

6.2 Constitution of SDF Panels

- a) Panels must contain at least three members and a maximum of five.
- b) The panel must consist of a diverse demographic of members, with representation from the NL's Partnership and/or Joint Advisory Committee (JAC) where required if member numbers are needed.
- c) Panel members should serve for a minimum of 2 years but cannot serve for longer than 4 consecutive years.
- d) Membership must be reviewed biennially for the purpose of succession planning.
- e) Panel members must keep themselves abreast of the aims and purposes of Welsh Government priorities, the SDF and the NL and attend any training provided by the NL Partnership or Welsh Government. Examples are Carbon Literacy, Climate and Nature Emergencies training.
- f) Panels should keep a record of decisions made

6.3 Assessment Criteria

Assessment criteria must include the extent to which the Fund priorities are met, value for money considerations, and criteria agreed by the management team based on local priorities linked to the NL Management Plan. These criteria will be provided to the applicant as an indication of how their

application will be assessed prior to submission. Any application will be potentially subject to a panel decision.

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, with all decisions for successful and unsuccessful applications being listed on the web-page within 3 months of decision.

Applicants must be given clear reasons for why their project has been unsuccessful; this can be communicated in person if necessary. 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, or an SDF Appeals panel which may be convened within some NLs for this purpose.

7. Grants

7.1 Type of Grant

The Fund can provide project grants, management grants to support staff costs, and development grants to provide a catalyst for new action or partnerships. The five NLs will submit claims in line with the timetable set out in the offer letter and section 7.5 *Timetable for Claims* of this document to the Welsh Government Designated Landscapes Team before payment to the Local Authority/NL unit is made. Claim forms and guidance are also provided by the Designated 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%. The funding requested by the applicant can include an element for appropriate overheads of up to 12% for the applicant to deliver the project. As example these may be project management, phone and internet costs. The applicant is normally expected to provide at least 25% of the total budget costs, from their own budget or from any match-funding.

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

In general, the Fund 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.

As part of the decision process for a project requiring 100% funding, the Assessment Panel will need to present their decision-in-principle to Welsh Government officials for final clearance.

While there is no set limitation on the minimum that applicants can apply for, it is anticipated that no single project will take up more than £25,000 from the whole Fund in any year.

Applicants may put forward projects spanning more than one year and up to three years but no longer. Panels and applicants should be aware that Welsh Government funding commitments may

not cover future years. Any project aiming to continue would do so 'at risk' and should be clarified by the LA/NL SDF officer.

7.3 Match Funding

One of the key objectives of the Fund is to lever in funds from other non-Welsh Government sources. SDF grants can be match funded with a range of sources, but care should be taken to avoid duplication of funding for the same activity within a single project. The source of any match funding must be clearly identified to avoid the possibility of double funding. Sources could include:

- i. Private sector
- ii. Lottery Funding (which is not counted as Exchequer funds)
- iii. Landfill Tax
- iv. Natural Resources Wales
- 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 NL Officer. Applicants should be aware that match funding may have a bearing on panel decisions depending on project value.
- vi. Projects must NOT use any other Welsh Government funding as match.

The volunteer rate for any grants offered will be outlined³ within the most recent Wales Council for Voluntary Action "Using Volunteer Time as Match Funding" document.

7.4 Transfer of Funds

Welsh Government must be notified of any likely underspend in line with claim dates as set out below and at Schedule 4 of the Grant Offer Letter. Failure to do so may affect future settlements. If there is underspend in one NL's Local Authority, unspent funds may be available for other NLs for use within the SDF programme framework. Funding should not be carried over into the next financial year.

7.5 Timetable for Claims – relevant to National Landscape body only

Nominated officers must submit claims to Welsh Government in advance of the following dates to cover the associated periods and in line with section 6 *How to claim the Funding* of the offer letter:

- (a) The Funding will be paid by Welsh Government to NL units during the third week of December and the third week in March in arrears based on Costs Incurred in the delivery of the Purposes.
- (b) NL units must claim the Funding a week in advance of the above payment dates. We reserve the right to withdraw any part of the Funding that you do not claim promptly.
 - Officers may also submit claims on a quarterly period.

Officers must provide Welsh Government with a summary of confirmed projects for the year. A half a page summary for each project should be submitted alongside claim 1.

8. **Monitoring and Promotion**

Local Authority auditors will examine the Fund as part of their usual audit processes. All NL Officers should satisfy themselves that projects have been carried out in accordance with the Fund guidance as set out in this document. A sample of the projects will be monitored during the funding period by Welsh Government officials.

³ In line with the Wales Council for Voluntary Action recommendation and the living wage, the following rates will apply-

- Unskilled / admin / minimum amount £12.60 per hour
- Supervisor / technically skilled £25.20 per hour
- Professional / legal scrutiny £75.60 per hour

8.1 Post Payment Monitoring

Post payment monitoring should cover capital items and physical work on the ground. Local Authorities must monitor projects and ensure that the funding has been spent in accordance with the Fund framework and as set out in the applicant's proposal. The NL Officer must record and report the extent to which projects have met the objectives, outputs and outcomes as set out in the Fund guidance and how the funding awarded has been utilised. 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 Fund.

8.2 Promotion

NL Units should, as well as taking appropriate steps to promote the Fund, also promote the successes of the Fund to a local and national audience. This could include local publications and events and contribution to wider national information and celebration of the Fund. Project applicants should also make use of suitable channels for promotion of the fund within their project. Both groups should share project promotion materials within the wider Wales NL group.

8.3 Acknowledgement of Funding

Acknowledging the Welsh Government is an integral part of the contract and conditions of a grant. Information on the SDF Fund and the source of the funding of SDF-supported projects should be included on the appropriate Local Authority or NL webpage, and in any publicity about the scheme including leaflets and banners or similar promotional media.

The following guidance provides a good understanding of how Welsh Government would like to be acknowledged: <https://www.gov.wales/sites/default/files/publications/2024-03/wg-logo-guide-2024.pdf>. Requests for the Welsh Government logo and artwork approval should be made to BrandingQueries@gov.wales

9. Reporting and Evaluation by Welsh Government

Annual reports must be sent to Welsh Government from the five NLs by no later than 31 August following each financial year. Following approval by Welsh Government officials, bilingual reports must be published online within three months. This 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. Interim reports may also be submitted and Welsh Government Officials are happy to provide feedback on these.

Welsh Government is happy to receive reports in Welsh or English.

Reporting is the mechanism by which Welsh Government Officials provide evidence to Ministers on the success or failure of the Fund. 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 Fund at risk.

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 future funding considerations of the Fund.

An outline structure of the information required for the annual report is attached at Annex C.

Welsh Government officials may from time to time request additional information, to assess the effectiveness of the Fund or commission evaluation of the Fund. National Landscape officials should provide any information requested in a timely manner. Grant recipients should provide contact details and information on project activities for up to 3 years post-project, subject to GDPR

regulations.

Further Information

Valued and Resilient - The Welsh Government's Priorities for Areas of Outstanding Natural Beauty and National Parks

<https://gov.wales/areas-outstanding-natural-beauty-and-national-parks-2018-report>

The Natural Resource Policy

<https://www.gov.wales/sites/default/files/publications/2019-06/natural-resources-policy.pdf>

The State of Natural Resources Report (SoNaRR) 2020

<https://naturalresources.wales/evidence-and-data/research-and-reports/state-of-natural-resources-report-sonarr-for-wales-2020/?lang=en>

The Kunming-Montreal Global Biodiversity Framework (GBF)

[Kunming-Montreal Global Biodiversity Framework \(cbd.int\)](https://www.cbd.int/kunming)

Wellbeing of Future Generations Act

<https://www.futuregenerations.wales/about-us/future-generations-act/>

Biodiversity Deep Dive recommendations

<https://www.gov.wales/biodiversity-deep-dive-recommendations-html>

Net Zero Strategic Plan

<https://www.gov.wales/sites/default/files/publications/2022-12/welsh-government-net-zero-strategic-plan.pdf>

Strategic Term of Government letter to National Park Authorities

<https://www.gov.wales/sites/default/files/publications/2022-08/national-park-authorities-term-government-remit-letter.pdf>

Annex A: The Well-Being and Future Generations (Wales) Act 2015

The **Well-Being and Future Generations (Wales) Act 2015** puts in place Sustainable Development Principles to guide organisations how to go about meeting their duty under the Act. There are five ways of working that will need to be considered when demonstrating the Sustainable Development Principles have been applied in 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.

Annex B: Summary of Principles of Good Governance for Designated Landscapes

Legitimacy, participation and voice	<ul style="list-style-type: none"> • Acceptance in society • Representation and participation • Active dialogue and consensus • Subsidiarity
Developing and implementing a strategic vision for the area	<ul style="list-style-type: none"> • Inspiring and consistent vision • Consistent with national outcomes • Reflect obligations • Adaptive management and innovation
Effective performance management	<ul style="list-style-type: none"> • Management effectiveness • Learning culture, skills and knowledge • Advocacy and outreach • Acknowledging and addressing weakness or poor performance • Efficient use of financial resources
Accountability and transparency	<ul style="list-style-type: none"> • Integrity and commitment • Decision making and reporting • Allocation of resources • Communication
Fairness and rights	<ul style="list-style-type: none"> • Ethical and fair decision making • Impartial and without discrimination • Respectful of language and culture • Respect rights • Active engagement

Annex C: Suggested Reporting Structure for the NL Sustainable Development Fund

1. Introduction

- Year report covers
- Total funding awarded
- Total projects supported Number of individuals engaged with
- Types and number of environments improved
- Promotion undertaken
- Themes of projects; e.g. Nature Recovery, Biodiversity, Decarbonisation, Community Support

2. Publicity

- How the Fund was advertised by the NL/Local Authority

3. Assessment Panel

- Details of how many members & meeting dates
- Appendix listing members to show balance of private, public and voluntary interests

4. Application Process

- How applications were considered and dealt with by the Assessment Panel/Officer, including the assessment criteria and any issues arising/contentious applications

5. Financial Summary

- Funding from Welsh Government, match funding and administration costs
- Any projects funded at 100%

6. Breakdown of individual projects, to include;

- Title and description of project noting if physical or theoretical (ie. Feasibility study) (including photographs)
- Total funding from SDF
- Match funding amount and source(s)
- How it met the set criteria and its own aims
- How it delivered on the Welsh Government Priorities (priority given to Valued and Resilient and the four themes within the priority statement. The Well-being Goals and Sustainable Development Principles contained within the Well-being of Future Generations Act, The Environment Act and Natural Resources Policy)
- Outputs and outcomes (hours of volunteering and jobs created etc.) these should include contact details for project lead.

7. Level of Support

- Outline the level of support required for future years

8. Additional Information (including delivery against NL Management Plan)