

Committee(s):	Date(s):
Epping Forest and Commons	15 01 2018
Subject: Countryside Stewardship grant scheme application (SEF 03/18)	Public
Report of: Director of Open Spaces and Heritage	For Decision
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Summary

Since 2008 funding has been received as grants from the government's Entry and Higher Levels within the Environmental Stewardship Scheme (ESS). Over the life of this ESS (2008-2018) these grant monies will have brought in a total of over £1.77 million in revenue, providing vital support for approved habitat conservation work under the Epping Forest Management Plan (EF Plan). This funding has been used to support EF Plan prescriptions for undertaking essential maintenance and restoration of the internationally and nationally-important habitats throughout Epping Forest.

The agreement with Natural England under ESS terminates in October 2018. The successor scheme to ESS is the Countryside Stewardship Scheme (CSS), which is aimed at continuing to provide similar focused support for essential biodiversity conservation in England.

Epping Forest remains a priority site for Natural England and it is proposed to apply to this grant scheme to ensure the continuity of the conservation programme.

The preparation of the application would be undertaken until mid-summer 2018, during which period the Management Plan Steering Group would be consulted on the application, for approval by Grand Committee in July 2018. If approved the application would be submitted to Natural England and if accepted the CSS agreement would commence on 1st January 2019.

Recommendation(s)

Members are asked to:

- note the application preparation process ('Proposals' section).
- give approval for officers to make a formal request to enter the CSS Scheme's application process to Natural England by mid-spring 2018.
- approve the consideration of the CSS application by the Management Plan Steering Group during spring/summer 2018 prior to seeking approval from Grand Committee for its submission to Natural England.

Main Report

Background

1. **Protecting Biodiversity:** Epping Forest is 2,476 hectares (over 6,000 acres) in extent and 1,728 hectares (over 4,250 acres) of this area is notified as a Site of Special Scientific Interest (SSSI). There are a range of native species and natural habitats recognised for protection under this designation, amongst which wood-pasture is the most significant. The SSSI citation states that Epping Forest 'is one of only a few remaining large-scale examples of ancient wood-pasture in lowland Britain' and is 'one of the largest coherent blocks in the country'. The citation explains that the three types of wood-pasture found in Britain are all found within Epping Forest. The veteran pollards, that form the framework of wood-pasture, are associated with invertebrate fauna of 'outstanding national significance'.
2. Wood-pasture is a complex mixture of trees and shrubs, grasslands and heath. It is this mixture, or mosaic, coupled with the presence of open-grown and hollowing veteran trees and low-intensity grazing by both wild and domestic herbivores, that makes wood-pastures amongst the most biodiverse habitats in the UK and mainland Europe.
3. These wood-pasture habitats are listed as priority habitats of 'Principal Importance' under Section 41 of the Natural Environment & Rural Communities Act 2006 (NERC Act 2006) and, as such, are a national priority for conservation. In addition, the Beech wood-pasture at Epping Forest is of international importance and is designated as part of a 1,604.95 hectare (3,965 acre) Special Area of Conservation (SAC), protected under the EU Habitats Directive 1992 and the Bern Convention 1979.
4. Active management is key to maintain the wildlife richness of the site and, more specifically, in order to achieve or maintain the Favourable Conservation status of the SAC, and Favourable Condition targets for the SSSI, habitat conservation work is required.
5. **Ensuring continuity of current management:**
6. A variety of grant schemes have been supporting management across the Forest and the Buffer Lands since the 1980s including set-aside payments, Woodland Grant Scheme, Farm Woodland Premium Scheme, the original Countryside Stewardship scheme and the Environmental Stewardship Scheme.
7. Since 2008 funding has been received from the Entry and Higher Levels (ELS & HLS) of the Environmental Stewardship Scheme (ESS) in support of this priority habitat conservation work, prescribed by the approved Epping Forest Management Plan (EF Plan). The ESS is an agri-environmental grant administered by Natural England on behalf of the UK Government department, Defra, to encourage farmers and land owners to manage their sites for environmental benefits and to help the Government meet its international biodiversity obligations. When the ELS-HLS agreement for Epping Forest finishes in October 2018 it will have brought in just over £1.77 million in revenue funding.

8. This funding has enabled management and restoration of these nationally and internationally-important habitats in Epping Forest. This work is a core responsibility of The Conservators of Epping Forest with its duties under the Epping Forest Act 1878 and the enhanced duty-of-care required since the re-notification of Epping Forest SSSI (under the Wildlife & Countryside Act 1981).
9. After this re-notification a Management Strategy for the Forest was agreed between the Conservators and the then Nature Conservancy Council (now Natural England) in early 1990. This Strategy has subsequently been translated into specific habitat conservation prescriptions under the subsequent approved Epping Forest Management Plans. The targeted conservation works, therefore, have been carried out over more than a quarter of a century and these ELS-HLS grant monies have latterly provided financial support by the UK Government for this work.
10. The majority of the funding has been for wood pasture restoration and the management of the Forest's and the Buffer Lands' grasslands. Some of these grant monies were in the form of capital payments towards items such as setting up the invisible fencing system (90% support), installing new cattle handling facilities (60% support), controlling bracken and preparing conservation management plans for the sites such as the Iron Age hill forts. The total of capital grants over the ten years of the ESS agreement amount to just over £104,000 (included in the £1.77 million figure above).
11. **New agri-environment scheme (CSS):** In 2015 the Countryside Stewardship Scheme (CSS) was introduced as the successor scheme to the ESS. The scheme has many similarities to the ESS scheme, including its broad aims, support for priority sites like Epping Forest and a menu of options for funding. However there are also some significant differences. There are significant changes in the payment rates for different types of work (the 'options'). These include, notably, a 35% increase in the payment rate for the wood pasture restoration option, in recognition of the importance of this UK 'habitat of principal importance'.
12. A further key difference is that the vast majority of CSS options run for 5 years only, whereas the HLS element of the current ESS agreement spans 10 years, which has ensured ELS funding for this full period as well. However, one of the few CSS options to run for 10 years is the wood-pasture restoration option.

Current Position

13. **Transition between schemes.** The Epping Forest ESS agreement finishes on 31st October 2018. The different grant options within the CSS are currently being appraised by Epping Forest Officers to identify funding that will support the continuity of the long-term conservation goals at Epping Forest. The intention, subject to your Committee's approval, is to apply for appropriate CSS options in summer 2018 to enable an agreement to commence in January 2019, thereby ensuring the minimum gap between funding streams.

14. **Potential elements of the new grant scheme.** By October 2018, the first phases of wood-pasture restoration will have been undertaken across 390 hectares under the ESS grant. Wood-pasture is a habitat of principal importance in the UK and the work at Epping Forest will be a significant contribution to the national target for restoration of this priority habitat, aims of both the government's Biodiversity 2020 Strategy and the NERC Act 2006. This is a major achievement for the Conservators which originally set this target as part of the approved Management Plan in 2004.
15. One of the anticipated main elements of a CSS application is likely to be a continuation of the restoration work in the wood-pasture areas that have already been worked since 1990, which will include the wood-pasture management elements of grazing and re-pollarding work on the opened up pollards.
16. It is also likely that some of the other habitat management that has been undertaken under the ESS agreement would continue including work to maintain or continue to restore heathland, grassland and scrub habitats.
17. Other options available in the CSS will be considered. The types of work they could fund might include: management of the Keystone Trees; protection of Epping Forest's only Red Data Book (a category of rarity) plant species, the moss *Zygodon forsteri*, of which Epping holds a third of the national population; managing elements of the historic landscape at Copped Hall; management of our ride-sides; removal of Rhododendrons to protect against spread of Ramorum disease.

Options

18. There are three options available to your Committee:
19. **Option 1.** Prepare and submit an application in 2018 for the CSS, for submission in August 2018 with your Committee's approval. The main cost associated with this option will be staff time in exploring potential options and preparing the application. Other minor costs may be some small value consultancy contracts to obtain specialist information; the cost of some of these may be covered by other CSS funding for preparing an application. For example, we have already received CSS funding to cover 80% of costs for a Copped Hall Park conservation management plan. The potential benefit could be an annual grant, if successful, of approximately £150,000-200,000 (this is a conservative estimate). It will enable management of the Forest and restoration of internationally-important habitats to continue. **This option is recommended.**
20. **Option 2.** Prepare an application over 2018 and 2019 for submission in August 2019, with your Committee's approval, in order to give for more time to explore and consider options. As with option 1 the main cost will be staff costs with some small amounts of consultancy. It is very unlikely that taking an extra year to prepare to enter the scheme will result in a larger grant being awarded, and, in fact, there would be one year (2019) where no funding would be received. This option would present a significant risk, given other current

funding constraints, with the potential for a deficit of at least £150,000 to the Epping Forest local risk budget. **This option is not recommended.**

21. **Option 3.** No application is made to the CSS. This would have no cost implications, but it would be likely to lead to an annual deficit of at least £150,000 to the Epping Forest budget, given current expected income sources. This option would put at risk all preceding restoration and management work and it is likely that there would be a decline of the condition of the SSSI to unfavourable categories, which would be a considerable reputational risk for the City of London Corporation. For example, a National Audit Office Report in 2008 highlighted Epping Forest as a SSSI in unfavourable condition at the time, leading to questions at the Parliamentary Public Accounts Committee. **This option is not recommended.**

Proposals

22. Application process:

- a. Officers will work internally and with Natural England to identify potential CSS options and capital items and therefore the anticipated potential grant funding.
- b. A formal request to enter the CSS's application process needs to be made to Natural England by February 2018.
- c. The potential options to form the grant application will be presented to the Epping Forest and Commons Committee Management Plan Steering Group for feedback throughout spring and early summer 2018.
- d. The proposed options and potential grant amount will be presented to the Epping Forest and Commons Committee in July 2018 for formal approval to make an application for the CSS grant to Natural England.
- e. The agreed options and capital items will be presented to the Natural England CSS Officer assigned for the Epping Forest application and there will be negotiations around what Natural England will fund. It is likely Natural England will not fund everything that is applied for, so some items may be taken out of the application. The finalised list of options and capital items constitutes the formal application to Natural England for funding and this would be signed by the Town Clerk or Director of Open Spaces in late August 2018.
- f. In September 2018 Natural England will request that the City of London signs a finalised list, and in late autumn an agreement offer is issued by Natural England for signing by the City of London. The agreement would start on 1st January 2019.

Corporate & Strategic Implications

23. **City of London Corporate Plan 2015-19:** The delivery essential maintenance and restoration of the internationally and nationally-important habitats throughout Epping Forest meets one of the strategic aims of the Plan

‘To provide valued services, such as ... culture and leisure, to London and the nation.’

24. **Open Spaces Department Business Plan 2016-19:** Strategic Vision of this plan is to ‘Preserve and protect our world class green spaces for the benefit of our local communities and the environment.’ and one of the Department Objectives is to ‘Protect and conserve the ecology, biodiversity and heritage of our sites.’ The types of works that would be funded through the CSS will fulfil these aims.
25. **Epping Forest Management Plan, Strategy and Business Plan:** The preparation of the CS Scheme application would tie in with the priorities for work being identified through the preparation of these documents. Funding will be sought for works that are already happening or works that need or are planned to be undertaken in the short term. Some of the work proposed for the CS Scheme will be continuing with the legacy, not only from the ELS-HLS agreement, but also from the HLF Branching Out Project under which work on the Keystone Trees started and the Grazing Project developed.

Implications

26. **Financial:** Both the ESS and CSS agri-environment grants are incentivising schemes, and are not aimed at covering 100% of the costs of the management operations. This is typical of the majority of grants in this sector, which expect the applying organisation to match-fund the remaining costs. However, this remains crucial income for the Epping Forest local risk budget as it will be funding work required to ensure the restoration and maintenance of the favourable condition of the Forest’s habitats. Without such focused funding, other sources of income, as yet unidentified, would be required.
27. Unlike the ESS grant, which guaranteed funding over 10 years, funding for most of the CSS options would only be guaranteed for 5 years, although there would be 10 years of funding guaranteed for wood pasture restoration. If a CSS grant was started in January 2019, it would be prior to the current timetabled exit of the UK from the European Union (March 2019). As the ESS and CSS are funded by the EU CAP budget, this has implications for future funding after the end of the 5 year options in December 2023. It is not yet clear as to whether there will be a successor grant scheme or the priorities that it would promote in its funding.
28. Some of the options and capital items to be considered during the preparation of the application will require external expert guidance. Some of this preparatory work may be partly-funded through the CSS as there are grants available for implementation plans and feasibility studies. The remainder of these costs will be covered by the Epping Forest local risk budget.
29. An analysis of the potential grant income, costs of work and impact on long-term Operations Team maintenance programmes will be undertaken in the next few months. These details will include the cost of maintenance, and these will be discussed at the Management Plan Steering Group before being presented to your Committee in summer 2018.

30. **HR Implications.** The preparatory work will become a main part of the Environmental Stewardship and Biodiversity Officer's roles until July 2018. In addition, there will be significant inputs from the Head of Conservation, the Grazing and Landscape Projects Officer, the Head of Operation, and the Senior Conservation Officers.
31. **Legal and organisational reputation:** Much of the work that has been carried out under the ELS-HLS agreement has occurred within the Site of Special Scientific Interest (SSSI) for Epping Forest. The Forest is broken down into 41 SSSI units and their conditions are assessed by Natural England on a 6 year cycle. The government's Biodiversity 2020 Strategy aims to get 95% of national SSSIs into Favourable or Unfavourable Recovering condition. The work undertaken as part of ELS-HLS has helped to maintain or improve the condition of various SSSI units. Continuing this work is crucial to avoid a decline in condition of SSSI units which reflects on the reputation of the City of London Corporation. The Natural England SSSI Officer for Epping Forest is fully supportive of an application to the CS Scheme and will assist in the preparations for the application.

Conclusion

32. The ESS grant has provided vital funding for the management of Epping Forest since 2008 (over £1.77 million) and enabled restoration of internationally-and nationally important habitats that are the most important ecological features of the Forest. The CSS grant offers an opportunity for continuity of revenue income to support these long-term conservation priorities at Epping Forest.

Appendices

- None

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