

Fenland SOIL Business Case

VERSION CONTROL

Document version	Publication date	Description of changes	Modified by
1	July 2022	Draft Business Case	AC
2			
3			

EXECUTIVE SUMMARY

STRATEGIC CASE

The area of Fens within the CPCA area is hugely important economically, socially and environmentally. With its concentration of the highest grade of agricultural land it provides a national role in food production and food security, and a source of local employment and skills. Yet the area is exposed to climate change risks. It already requires extensive water management and flood risk alleviation, both of which will be affected by the increase in wetter winters and hotter, drier summers.

One of the independent Commission on Climate's recommendations was to support work examining the impact of climate change on the Fens and vice versa, through a group that would bring together farmers and academics. The Board implemented that recommendation with revenue to establish a peat soils group in YR 2021/2022.

During 2021 the government amended its approach to greenhouse gas emissions and included emissions from the 'use of land' category into national statistics. Based on existing data on soils the national statistics now show that nearly a third of all carbon emissions in the CPCA area are attributed to the use of land. This underlines the importance of (a) understanding how land is currently managed and its soil conditions; and (b) engaging with the farming industry on adapting to change. The Climate Action Plan sets out actions on these topics.

Fenland SOIL has been set up as an organisation to bring together farmers and academics in line with the recommendations. It is particularly exploring the robustness of information on emissions from land-use, as existing records on the state of peat soils is dated and may not reflect current circumstances. Supporting this activity aligns with the strategic aims of the Combined Authority.

ECONOMIC CASE

The project will deliver:

- (a) Governance and administration support for a strong and robust Fenland SOIL group that draws the farming community, environmental organisations, and academia together to provide the CPCA and the area with a strong 'expert' voice and sounding board.
- (b) Evidence on 'real life' emissions from CPCA peat/wasted peat soils and economic costs of tackling emissions
- (c) Capacity to influence the development of policy, including the Lowland Peat Taskforce's recommendations
- (d) Evidence for business cases to address consequences of a changing climate on the Fens

FINANCIAL CASE

The project will receive £50k per annum of CPCA revenue funding, over the two years to YR 23/24. This will provide surety of funding to enable Fenland SOIL to commit to staff contracts, further develop its capacity, and a basis from which to seek additional contributions from other sources.

COMMERCIAL CASE

A direct award based on the unique and specialist nature of Fenland SOIL. The funding is focused on operational costs of Fenland SOIL, who will be responsible for any recruitment or procurement of services.

MANAGEMENT CASE

Fenland SOIL is a registered company. There will be an annual review of service, evidence of impact, wider community engagement and cost effectiveness.

INTRODUCTION

PROJECT BACKGROUND

The work of the Independent Commission on Climate identified the use and management of land in the Fens as a key issue. Soils, particularly peat or former peat (skirt fen), emit greenhouse gases as organic matter decays. This can be significant for peat soils when the water levels reduce as this exposes organic matter previously held in suspension. The Commission noted that data on the extent of remaining peat soils was based on 1980's surveys and scientific evidence on emissions described varying outcomes. It recommended a "peat committee" be established to bring together local farming interests, academia and environment organisations to investigate these issues. The CPCA Board agreed to fund £50,000 in 2021/22 to support the work of a peat committee. This group was set up and has established itself under the organisation name of Fenland SOIL.



PROJECT SCOPE AND OUTCOMES

The project is to provide revenue funding to enable Fenland SOIL to undertake additional activity in year-end 2022/23 and 23/24. Understanding the impacts of climate change on our agricultural areas and adapting to change is of great importance, given both the scale of our agricultural sector and the potential climate risks for that sector. Geopolitical impacts on food security and resilience have heightened attention on the future of the Fens. Having local experience of those issues through direct engagement with farmers matched with academic support will enable the area to engage in both the national policy response and local actions. Fenland SOIL also draws together significant expertise that will be highly beneficial in support the CPCA's work on the climate and nature theme of the six capitals approach, plus future development of a Local Nature Recovery Strategy.

This project is to provide revenue funding over two years to expand the work of Fenland SOIL, under the following objectives:

Sustainability	Inform and develop whole farm policies to mitigate climate change including encouraging Nature Friendly and Regenerative Practices and enhance biodiversity.
Opportunities	We will use a bottom up approach to generate opportunities for positive change to policy, creating new opportunities for farmers.
Innovation	Helping to find new approaches and techniques that allow the continuation of farming whilst mitigating emissions.
Learning	Help establish agreed figures for GHG emissions from deep, shallow and wasted peat, improve mapping and facilitate

STRATEGIC CASE

INTRODUCTION

The purpose of the strategic case is to demonstrate alignment with local, regional and national policy objectives. Specifically, the strategic case should test the project fit with the CPCA's Sustainable Growth Ambition Statement.

STRATEGIC PRIORITY

The project aligns with objectives of the Sustainable Growth Ambition Statement. The Statement's natural capital objective is:

"Climate and Nature: restoring the area's depleted natural capital and addressing the impact of climate change on our low-lying area's special vulnerabilities". The Fens

The CPCA's Climate Action Plan sets out relevant actions to: complete the mapping of peatland assets; identify operating costs/impacts to shift farming practice to sustainable farming practice; and demonstrate practical projects working with landowners on restoration. Fenland SOIL are the identified delivery partner able to take forward those actions.

The CPCA's Economic Growth Strategy has a priority objective to *Protect opportunities in our foundation sectors (Education, Health and Care, Retail, Leisure and Agri-food)* and also recognises opportunities in agri-tech as one of our innovation priorities. The Fens, containing a high proportion of the nation's most valued agricultural land, produces 7% of the nation's food, from only 4% of the nation's farmed land. Understanding the future of peat soils is crucial to the Economic strategy.

The Government has set up the Lowland Peat Taskforce to advise on national policy. The Taskforce has publicly welcomed the existence and input of Fenland SOIL into its work.

CASE FOR CHANGE

The future of peat soils is crucial for our economy, landscape and climate. Whilst some research had been undertaken on extent and the future of peat soils there was no single local organisation that was exploring these issues in a Cambridgeshire and Peterborough context. The Fens share some characteristics with other peat areas, but each are different so a national 'one size fits all' policy approach is unlikely to be appropriate. The NFU did a study of the Great Ouse area that demonstrated a national approach was undervaluing the output of agricultural land, which has impacts on funding for flood resilience or other grants.

With the impacts of climate change and concerns over food security there is an urgent need to move forward our understanding of the issues and develop appropriate responses with the local community. For the Combined Authority this topic has direct impact on the delivery of the strategic goals sets out in the Sustainable Growth Ambition.

Fenland SOIL provides expert advice and as a forum for drawing together stakeholders to address these issues. It has leveraged private sector funding and in its first year led a successful bid to Natural England under the Discovery Grant programme.

The do-nothing scenario relies on Fenland SOIL securing annual contributions of similar amounts to the previous year on an ad hoc basis. For an organisation in only its second year of existence this is uncertain, and impacts on its ability to expand its activities, set long term plans, develop its organisational resilience and attract additional funding.

CLIMATE CONSIDERATIONS

The Fens and the peat soils are a fundamental aspect of climate related issues. Based on existing data on soils the national statistics now show that nearly a third of all greenhouse gas emissions in the CPCA area are attributed to the use of land (principally agriculture). Peat soils as key emitters of greenhouse gases are part of the mitigation challenge, as areas vulnerable to flooding and drought they are part of the adaptation challenge, and as key food production areas they are part of the green economy and climate innovation challenge.

The Climate Risk Assessment identified flooding and conversely drought as key risks. The Independent Commission on Climate devoted a chapter of its report to peat issues and made recommendations for action.

SMART OBJECTIVES

- 1. To facilitate dialogue with farmers on peat issues and climate responses during 22/23 and 23/24
- 2. Improve the scientific understanding of GHG emissions through establishing a long-term monitoring programme in 22/23
- 3. To use local farmers knowledge to enhance the landscape mapping of soils (with Cranfield University)
- 4. To examine and promote nature-based solutions for farmland management
- 5. To understand the economic and social impacts of mitigation and incentives on farming

SPECIFIC DELIVERABLES/OUTPUTS

With the revenue support Fenland SOIL proposes to deliver the following objectives for YR 22/23:

- 1. To maintain a project coordinator role, provide media and communications and undertake research
- 2. To provide local input on potential solutions into the Lowland Peat Taskforce, that will be advising DeFRA and government on future policy
- 3. To convene regular meetings of farmers, academia, local government and environmental organisations
- 4. To leverage additional funding that will enable:
 - a) an increase the number of CO₂ Flux Towers that are monitoring emissions from Fens soils and upgrade the existing Flux Towers
 - b) economic and social impacts study

PROJECT OUTCOMES/IMPACTS

That Fenland SOIL is seen as the source of expertise that has informed local and national policy on Cambridgeshire and Peterborough peat and soil issues. That the farming community is fully engaged in the discussions and co-designing potential responses to climate change and biodiversity. That collective local and national understanding of the Fens issues are enhanced and communicated to a wide audience.

- 1. KEY METRIC: Qualitative assessment of impact of Fenland SOIL's convening and advice role
- 2. OTHER LINKED METRIC: Increase in amount of rich wildlife habitats and natural greenspace under the Doubling Nature ambition
- 3. OTHER LINKED METRIC: Identification of land-use opportunities to pilot new approaches to farming and natural capital

DESIGNS

Not applicable

RISKS

Scope risks

Combined Authority Business Case: Fenland SOIL

- Budget is insufficient to provide the level of support [Mitigation the project can draw upon partner resources for technical advice; core budget allows other philanthropic funding to be attracted]
- 2. Aims of Fenland SOIL are not aligned to CPCA values [Mitigation Fenland SOIL has constituent councils' representation]
- 3. Lack of stakeholder engagement [Mitigation Fenland SOIL has to date attracted a high level of engagement for its Board and its sub-groups]

Operational risks (excluding standard risks such as project management)

 Single point of contact [Mitigation – the Fenland SOIL coordinator is hosted by an international food production business based in the Fens that provides organisational resilience. The Discovery Grant programme with NIAB provides further resilience.]

Opportunities

1. As peat soil policy is currently being examined by government through the Lowland Peat Taskforce an evidence-based voice from the Fens perspective that draws in many stakeholders provides a strong opportunity to influence national policy and deployment of resources.

CONSTRAINTS

Agricultural policy and funding is undergoing significant change post Brexit as financial support is reorientated to funding 'public goods' in terms of environmental benefit. This creates considerable uncertainty in the market and the effect this might have on land management options.

DEPENDENCIES

In addition to a contribution of £50k of revenue support per annum from the CPCA, Fenland SOIL would seek to find income of an additional £59k from other partner donations and grants.

ECONOMIC CASE

INTRODUCTION

Natural capital is one of the key dimensions of good growth ambition of the CPCA. With the large amount of the nation's best and most versatile land the Fens are an asset crucial to the economy.

The actual and the intangible benefits of a strong local capacity to understand the impacts of climate change on peat soils and farming are significant. Revenue support to Fenland SOIL provides capacity and leverages expertise from farmers, academia, local government and environmental bodies. It also provides a strategic advantage to the Cambridgeshire and Peterborough area for developing and drawing down funding opportunities.

This economic case includes a Logic Model, a Green Book Outcome Profile Tool linked to our Sustainable Growth Ambition Statement and a summary of economic benefits to demonstrate that the project provides value for money.

OPTIONS ASSESSMENT

Do-nothing scenario relies on Fenland SOIL receiving no further funding. It has little legacy to draw upon to attract alternative funding, given its creation a year ago, so there is a high risk that the momentum will be lost. It would have to move to the precarious arrangement of securing contributions on an ad hoc

basis. In contrast providing revenue support to the Fenland SOIL allows it to tackle new activities and grow the opportunities to attract future external funding. It has already demonstrated this approach through the partnership with NIAB on the Discovery Grant.

An alternative option of funding a new post/s within the CPCA was discounted as it failed to offer the additional tangible and non-tangible benefits of the Fenland SOIL organisation being hosted by a large international food business and being regarding in a different manner to a local government organisation. It is also a specialist interest area that the CPCA might struggle to recruit to.

An alternative option of competitively tendering for support was discounted as the existing Fenland SOIL organisation has achieved a high level of local buy-in and understanding amongst the farming interests, has successful leveraged private sector funding, and has linked up with the key academics who are studying peat issues. The specialist nature of the topic and engagement means that Fenland SOIL demonstrates high added value.

APPRAISAL SUMMARY TABLE

This Business Case has used the Outcome Profile Tool to examine the economic case through the demonstration of fit with the strategic aims of CPCA, and not used the Appraisal Summary Table method.

OUTCOME PROFILE TOOL

Sustainable Growth Outcomes	Climate and Nature	Economic Growth		
Other Programme Outcomes (optional)	Climate Action Plan (CPCA)	Economic Strategy 2022		
	CPCA Vision for Nature; Local Nature Network; emerging LNRS			
	Cambridgeshire Flood Risk Management Strategy			
Project outcomes	Additional capacity to support peat solutions	Food production can adapt to climate change		
•	Peat policy and investment is best for the Fens	Behaviour change that supports a productive sector		
	Increase in on-farm nature-based solutions	, , , , , , , , , , , , , , , , , , ,		
	Evidence-base for calibrating greenhouse gas emssions and policy response			
Project outputs	Coordinator post Increase in greenhouse gases monitoring Dialogue on peat issues to influence local and national policy Nature-based solutions are evidenced and encouraged	Highlight good practice for farm adaptation Awareness raising of climate impacts on food production		
Project measures	Land Area Providing Nature Rich Habitat PNRH Qualitative assessment of stakeholder engagement Total Carbon Dioxide Emissions	Gross Value Added Productivity GVA per Job		
Limitations	1.Fenland SOIL plays an enabling/convene role. Delivery of outcomes relies on wider system response.	Timescale for on-farm behaviour change is likely to extend beyond project period.		

LOGIC MODEL

EVALUTATION AND MONITORING FRAMEWORK LOGIC MODEL: Fenland SOIL

Policy Context Programme Objectives	 Greenhouse gases emissions from land use are included in the national inventory. Based on 1980's data on soils BEIS calculate that nearly a third of greenhouse gases emissions in Cambridgeshire and Peterborough come from that source only (principally due to the presence of peat soils). The national Committee on Climate Change called for 60% of lowland peatlands to be rewetted or under sustainable agriculture by 2050. The government has set up the Lowland Peat Taskforce to give recommendations. The Fens provide 7% of England's food supply from 4% of the nation's farmed land. 33% of fresh vegetables are grown here. The Fens economic contribution is £3.1bn to GVA. Every agriculture job provides four other jobs in the supply chain. The national Food Strategy sets a policy aim of maintaining current levels of food supply whilst increasing the amount of land used for environmental aims (therefore assuming productivity gains on the best land) to provide support for a project coordinator to facilitate and provide opportunities for information exchange and knowledge sharing within and between the farming sector, academia, local authorities, and communities;
	 to improve the scientific knowledge of emissions from peat and other soils; update the understanding of the current extent of peat and wasted peat encourage pilots of adaptative responses attracting additional funds to build the capacity of the organisation;
Programme Rationale	The Fens and their peat and wasted peat soils are very significant in terms of economic output, climate emissions, vulnerability to climate change, and biodiversity. The actual and intangible benefits of a strong local capacity to understand and deliver on these issues are significant. Having a specialist interest group that brings together key stakeholders will enable the area to best respond and influence both national policy and local behaviours. Financial support for Fenland SOIL will enable the organisation to build its capacity to deliver a multi-year programme of activities and to lever in additional investment.

	Delivery	Benefits				
Inputs	Activities	Outputs	Outcomes	Impacts		
RESOURCES Financial, including CPCA investment and fundraising Volunteer time, including from businesses, academia, environmental organisations and others Data from existing monitoring stations Other funded programmes of activity	WHAT THE PROJECT DOES Builds the capacity of the organisation to support farming sector, local authorities and other stakeholders to engage more deeply with the peat soils agenda. Expands the monitoring of peat emissions Investigates new methods of farming Leverages and secures additional investment.	WHAT THE PROJECT PRODUCES A programme of regular facilitated fora, discussions and working groups, where participants can share information and knowledge, and problem solve together. Links across disparate research projects Updated mapping of soils Engagement with national policy development Website information.	WHAT THE PROJECT ACHIEVES Access to expert advice for policy makers, landholders and farmers, and increased knowledge and learning that substantially accelerates the peat soils agenda. Influences the Lowland Peat Taskforce conclusions Accelerated habitat restoration and creation that will help to store carbon. Engagement with key landowners to provide habitat improvement and creation. Enhanced levels of take up of public funding opportunities and DEFRA-led environmental schemes.	PROJECT'S CONTRIBUTION TO HIGHER LEVEL GOALS • Climate and Nature: the project is directly aligned with goals to reduce emissions and adapt to the impacts of climate change. • Infrastructure: stronger and more robust networks are created within which local stakeholders value and build natural capital together. • Innovation: new partnerships and working relationship will be forged, enabling the area to remain a leader in agricultural and food production. • Financial and systems: Making 'real' the decisions about agri-environment schemes and how to deliver on the national Food Strategy.		

Underlying Assumptions	Metrics
That CPCA funds will be available over the two years; that the policy context remains favourable for the planned work; that additional funding for solutions can be attracted.	 KEY METRIC: Qualitative assessment of impact of Fenland SOIL's convening and advice role. KEY METRIC: Impact on carbon emissions.

	3. OTHER LINKED METRIC: Identification of land-use opportunities to pilot new approaches to regenerative and sustainable agriculture.
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ECONOMIC BENEFITS

Revenue support from the CPCA safeguards and increases the wide range of benefits as set out in the Logic Model. This is more than just the equivalent of employing a FTE within the CPCA, as it leverages the existing brand, presence and skills of Fenland SOIL and its contributors. It also opens the possibility of the Fenland SOIL bidding for additional alternative sources of grant given its stable position over the next two years.

DISPLACEMENT AND DEADWEIGHT

Not applicable.

ECONOMIC COSTS

Salary costs have been benchmarked against similar positions.

NON-QUANTIFIABLE BENEFITS

There are substantial non-quantifiable benefits and these are set out in the logic model under the Outputs and Outcomes. The CPCA and the area benefit from a proactive group that can support Cambridgeshire and Peterborough's position with regard to government's response to the Lowland Peat Taskforce and take up of agri-environment schemes. Fenland SOIL leverages significant 'goodwill' and voluntary support from all sectors, not just organisations focused on agriculture. Outputs from the project can also inform the forthcoming Local Nature Recovery Strategy.

SUMMARY

Revenue funding to Fenland SOIL is a cost-effective intervention that delivers significant tangible and intangible benefits, in alignment with the strategic priorities of the CPCA and as recommended by the Independent Commission on Climate (incorporated into the Climate Action Plan).

COMMERCIAL CASE

INTRODUCTION

The objective of the commercial case is to set out the commercial objectives and constraints for the project. In this Business Case they mainly relate to procurement of the additional staffing capacity.

PROCUREMENT OPTIONS

The project funding will be a revenue grant to the Fenland SOIL. Staffing, research and other activity will be procured directly by Fenland SOIL.

DELIVERY OF THE PROJECT

CPCA is the funding organisation. The project would be delivered by Fenland SOIL.

PROCUREMENT STRATEGY

This is a direct award to Fenland SOIL. The project coordinator is already in post. Procurement of additional research or capacity will be undertaken by Fenland SOIL.

WIDER CONSIDERATIONS

None.

FINANCIAL CASE

INTRODUCTION

The purpose of the financial case is to assess the financial implications of the options as laid out within the strategic case and consider financial risk. The below is based on the appraisal set out in the Strategic and Economic Cases.

APPROACH TO FINANCIAL CASE

Fenland SOIL have estimated future revenue requirements on current spend, new activity, and continuation of the current coordinator post. These have been benchmarked against existing and past spend.

FINANCIAL OPTIONS ASSESSMENT

The proposed Strategic and Economic Cases set out the preferred option to support the operational capacity of Fenland SOIL. It assumes a similar level of other funding as currently received (a mix of local authority and private sector contributions) to maintain existing activity. The preferred option also seeks the additional funding over two years to enhance retention.

PROJECT COSTING TABLE

	Financial Year	2022-23	2023-24	2024-25
	Revenue	50	50	
Project Costs	Capital (£'000s)			
	Total	50	50	

	Financial Year	2022-23	2023-24	2024-25
Francisco Ctucous	СРСА	50	50	
Funding Stream				

PROJECT COST BREAKDOWN TABLE

Sources	Value	Uses	Value
Combined Authority	£0.05m	Operating Costs and Management Fees	£0.01m
		Coordinator	£0.03m
		Comms and Engagement	£0.01m
Total Sources	£0.05m	Total Uses	£0.05m

Per annum

AFFORDABILITY ASSESSMENT

The proposed organisational costs are considered appropriately scaled.

CHARGING MECHANISM / CLAIM/INVOICE PROCESS

As the revenue funding is for running costs, there will be an annual grant payment, with annual performance review providing suitable breakpoint.

MANAGEMENT CASE

INTRODUCTION

The purpose of management case is to test that robust arrangements are in place to manage the delivery of the project.

PROJECT TIMELINE

- 1. July 2022 decision
- 2. Sept 2022– Fenland SOIL agree two-year outline programme of work.
- 3. Nov 2022 ongoing three monthly reports on progress
- 4. Sept 2023 and following annual review of project performance

EXIT STRATEGY

The Programme is designed to provide ongoing support to March 2024. Fenland SOIL to develop exit strategy to report back in autumn 2023.

CHANGE MANAGEMENT

Appropriate change management process and tolerances comparable to those set out in the CPCA's 10-point guide and Risk Management Strategy will be agreed.

PROJECT MANAGEMENT

External Project Director: Chair, Fenland SOIL

External Project Manager: Megan Hudson, Co-ordinator, Fenland SOIL

Project Board: Board of Fenland SOIL Combined Authority Business Case: Fenland SOIL

Internal Project Manager: Adrian Cannard, Strategic Planning Manager

R = Responsible A = Accountable C = Consulted I = Informed Activities	Organisational Role	Internal Director (Senior Responsible Officer)	External Project Director	Internal Project Manager	External Project Manager	FENLAND SOIL Board	
Project initiation		I	R	Α	С	С	
Delivery of the project	t	I	R	I	С	Α	
Changes to cost and	programme	С	R	Α	С	С	
Compliance with grain	nt agreement	I	I	С	R	Α	
Development of exit s	Development of exit strategy		R	С	С	Α	
Project closure		l	С	А	R	I	
[Include more or delete appropriate]	decisions as						

RISK MANAGEMENT STRATEGY

Scope risks

- 4. Budget is insufficient to provide the level of support [Mitigation the project can draw upon partner resources for technical advice; core budget allows other philanthropic funding to be attracted]
- 5. Aims of Fenland SOIL are not aligned to CPCA values [Mitigation Fenland SOIL has constituent councils representation]
- 6. Lack of stakeholder engagement [Mitigation Fenland SOIL has to date attracted a high level of engagement for its Board and its sub-groups]

Operational risks (excluding standard risks such as project management)

2. Single point of contact [Mitigation – the Fenland SOIL coordinator is hosted by an international food production business based in the Fens that provides organisational resilience. The Discovery Grant programme with NIAB provides further resilience.]

Opportunities

2. As peat soil policy is currently being examined by government through the Lowland Peat Taskforce an evidence-based voice from the Fens perspective that draws in many stakeholders provides a strong opportunity to influence national policy and deployment of resources.

STAKEHOLDER PLAN

The current members and working groups can be found here: Home - Fenland Soil

ASSURANCE

Fenland SOIL is incorporated as a legal entity and an appropriate assurance process will be agreed with CPCA as part the grant agreement. An annual review will be undertaken to next staged payment.

SUPPLY SIDE CAPACITY AND CAPABILITY

None identified.

KEY CONSTRACTUAL AGREEMENTS

Grant and service-level agreement with Fenland SOIL and CPCA.

MONITORING AND EVALUATION

There will be an annual review of service that will consider evidence of impact, engagement and cost effectiveness.

Combined Authority Business Case: Fenland SOIL