

Landscape Enterprise Networks (LENS) Yorkshire

Local Investment in Natural Capital (LINC)
Programme



Department
for Environment
Food & Rural Affairs



Local Investment in Natural Capital programme



Project Summary



The LINC programme instructed and provided funding to 3Keel Group Ltd to support them to scale-up the anchor Landscape Enterprise Networks (LENS) trade in Yorkshire and focus on building a pipeline of additional trade opportunities, including investigating potential initiatives with SME's and other local actors.



Funding was given to part-fund a Senior Programme manager to support the delivery of Yorkshire LENS Yorkshire Resilient Landscapes CIC and strategic LINC objectives.



2025 was the third trade in Yorkshire, with the 'Demand Partners' being Nestle Purina, Diageo and PepsiCo. 2025 funder commitments of over £1.4 million for on-farm projects with an additional 20% to cover service delivery.



Overview of LENS

LENS facilitates collaboration between businesses such as food and drink manufacturers, water companies, local authorities and farmers to invest in and deliver nature-based and agricultural measures that make local landscapes healthier, more productive and resilient and enables them to influence the quality of the landscape which they rely on. This is achieved through the LENS nature-based solutions trading methodology, whereby locally active businesses and organisations fund on-the-ground environmental projects, carried out by interested farmers, as shown in the diagram. The five-step process which is aligned with the agricultural calendar works in a cycle, which repeats at step 5 to build a trading community over time. connecting economic activity, the local community and the environment.

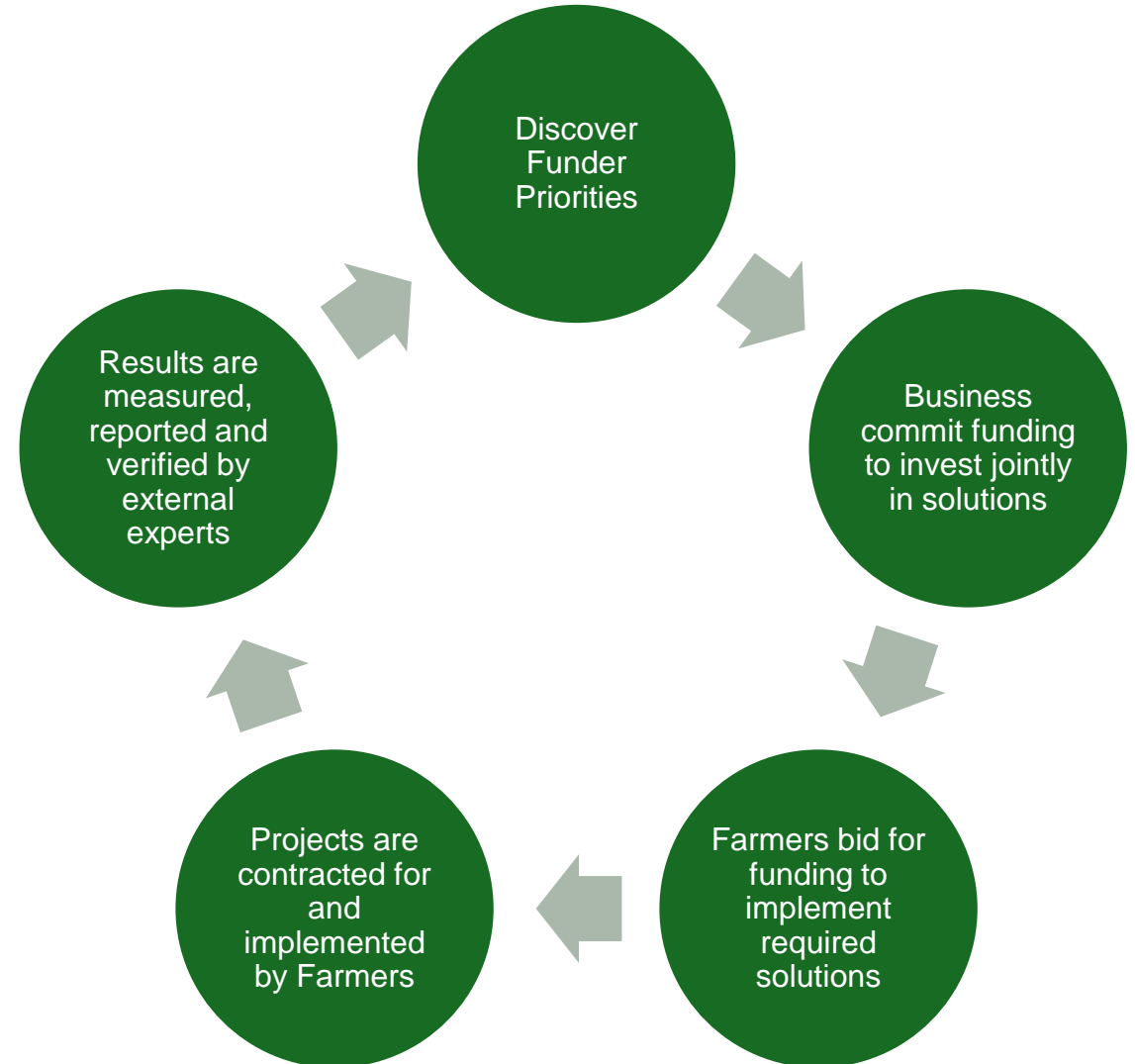
SME's and LENS

Where SME's openly support the improvement of a community's natural landscape their involvement in LENS has the potential to deliver great value for the environment and community, particularly where this is done in partnership as it allows for a groundswell of interest and buy-in to be achieved.

To date, SME involvement in LENS has been limited, the main challenge in engaging SMEs as lending businesses is due to high total costs involved with funding trades, including management and project implementation costs.

However, it doesn't mean SMEs cannot join as a funder, possible options include:

- Joining a pre-existing LENS as a partner supporting projects that are also funded by larger businesses.
- Public sector providing the initial 'anchor' funding therefore providing a basis for SMEs to crowd in and co-fund projects on the ground.



LENs Yorkshire Project Overview

In 2022, representatives from 3Keel (LENs owner and operator) met with a small initial group of stakeholders to discuss establishing a LENs project to increase the uptake of Regenerative Agriculture (RA) techniques in Yorkshire's arable farming industry. The Vale of York was identified, focussing on sustainable wheat production. **Nestle Purina** and **Diageo** were the founding funding organisations, supporting growers in their supply sheds to adopt RA practices. **PepsiCo** joined the Yorkshire Programme in 2023 as a third strategic partner. **Openfield Agriculture** and **Frontier Agriculture** act as '**Supply Aggregators**' who reach out to farm businesses in their network to present the LENs opportunity.

Insights for LINC

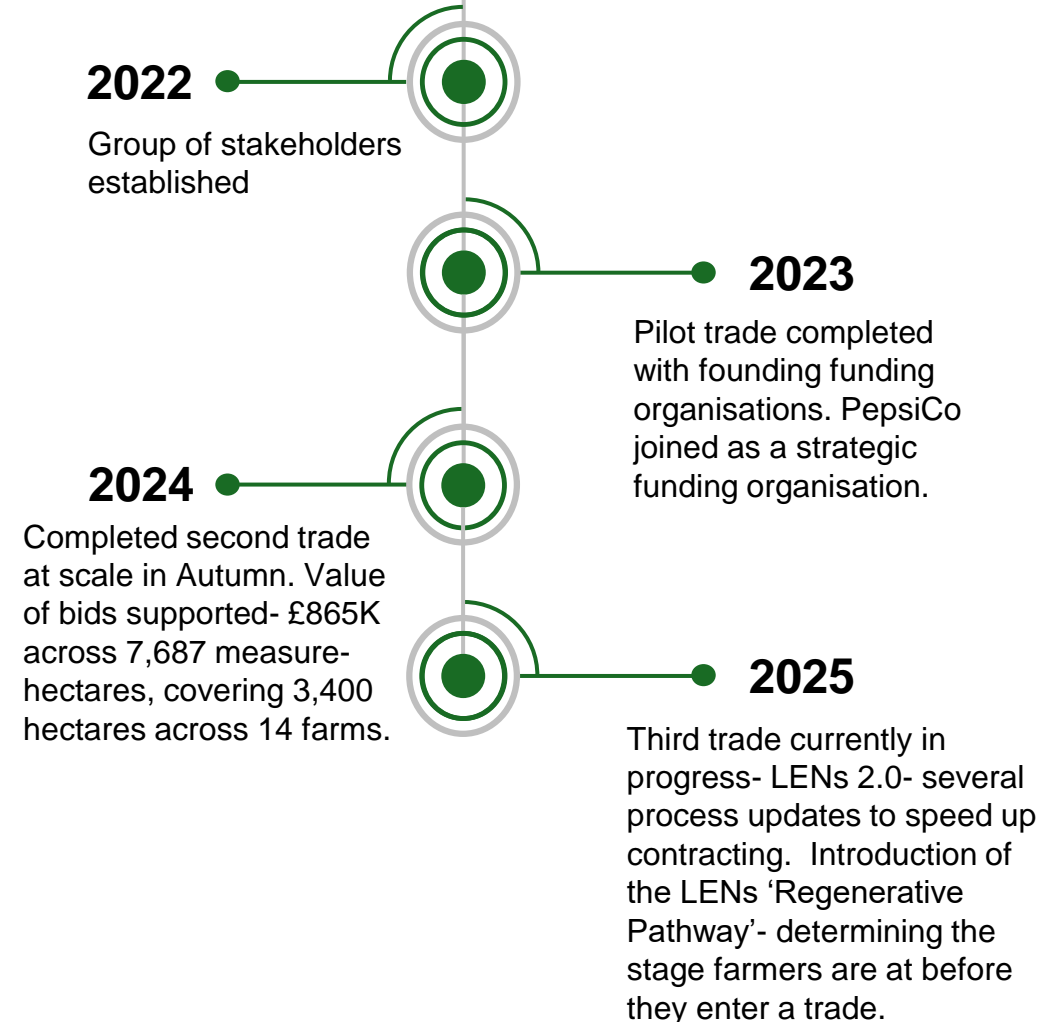
Targets and drivers behind each funding business is understood in detail- allowing LENS to provide the right specification to interested land managers/farmers.

Ecosystem services of interest in the region are:

- GHG emissions reduction in supply chains
- Carbon sequestration
- Improve soil health and fertility
- Reduction of risk to water quality
- Reduction of risk to water resources
- Increased biodiversity

Non-ecosystem service outcome of interest to demand partners are:

- Increasing the uptake of RA practices on farms – LENs has developed a tool that supports farmers to identify a range of measures that address multiple key principles of RA across their farms.
- Building long-term resilience into supply chains
- Improve farmer livelihoods - making them more financially sustainable
- Knowledge sharing between farm businesses



Funder & Landholder Intelligence

Focus on funding Regenerative Agriculture- other requirements include- reduced scope 3 carbon emissions, supply chain resilience- delivering a range of nature outcomes.

Non-negotiables- funders only interested in working with farms in their supply sheds. Also, projects must drive value through stacked investment.

Funders highlighted the robust Monitoring, Reporting and Verification (MRV) process as being a crucial factor in their willingness to invest in the programme, it enables them to make robust public claims about the outcomes delivered by their investments.

Funders see that LINC and LA's more generally can play a role in supporting the LENS model.

They value supporting local delivery, particularly funding locally-based staff with valuable networks, local knowledge and insight.

LA's can also promote LENS as an active delivery mechanism within their regions, through engagement with businesses which could lead to an increase in the demand-side, increasing landscape transformation.

LA's can also act as a demand partner.

Main priority for participating farmers is to increase the sustainability of their farming enterprises, both financially and environmentally, with improved soils being a significant driver for most.

The production of high yielding quality crops is referenced as a priority for many.

Recognition that farming should be profitable, sustainable and *enjoyable*.

Farmers take part in LENS because it provides capital funding, enabling them to undertake some environmental options that will further develop their farm business.

Helps them to deliver aims and objectives for their farm businesses that cannot be achieved through other schemes (such as Sustainable Farming Incentive).

Contractually, one non-negotiable for farmers is that their carbon is 'not for sale'- allied with the principle that carbon credits are not part of LENS as they do not allow sharing of outcomes.

Farmers have been relaxed about contracting terms due to good communication of the contract given by Supply Aggregators.

Farmer expressed value LINC role in matching farmer with investors. Noted that philanthropic investors would be welcomed.



Learning Points

- LENS Yorkshire was established with Resilient landscapes Yorkshire CIC as the central piece of the programme's governance structure. A single commercial, contractual and project management hub of LENS activities in Yorkshire, limited by guarantee, a CIC can operate in the interest of LENS and its goals without competing goals. However, because LENS legal and commercial relationships framework was simplified, standardised and centralised across multiple regions, removing the need for a regional organisation the CIC was stood down.
- SME's can offer insight into the local context for LENS, but, unless a critical mass of businesses can be engaged to share costs, setting up a self-sustaining annual LENS trade is unlikely to occur.
- It is also important for any lending business to properly articulate their specific interest in supporting a project. For SMEs this may look different to large companies who require comprehensive project impact reporting. SMEs can share communications on their engagement with their customers and communities.
- LENS Yorkshire differs from other LENS programmes as it is the only one with three strategic partners who have overlapping areas of interest. This increases beneficial co-funding which in turn increases funding for farmers while reducing costs to funding businesses.



- The following criteria are essential for a successful LENS programme:
 - At least two serious funding organisations (Private or Public) with a multi-year interest and at least some overlapping and complementary project eligibility criteria to allow cost sharing/stacking.
 - Start-up funding to gather the stakeholders, work to build up momentum, develop project plan, and crucially secure commitment from the funding organisation.
 - Sufficient LENS staff and partner organisations to conduct day-to-day trade management, land manager outreach, technical project support and MRV data collection.
- For the 2024 trade, there was a level of discrepancy between proposals from farms/landowners and actual level of funded projects, this was because:
 - Applications for speculative innovative measures were made that were not aligned to funder outcome goals- several innovation measures were funded, but the majority were not.
 - Oversubscription- the LENS tender model received more proposals than there was budget for (£2.65m proposed vs £0.86m funded).
 - Changing funding priorities over time – priorities changed in the time between submission of demand specification and the review of proposals prior to contracting.



Recommendations and next steps

Next Steps:

- To date, LENS trades in Yorkshire have focused primarily on arable systems. Livestock and upland farms make up the majority of farms across the region and offer significant untapped potential for regenerative land use and climate benefit. These systems are currently underserved by market-based models due to complexity, variability, and lack of agreed metrics. Funding has been awarded through YNYCA's Carbon Negative Challenge Fund (CNCF) to address these challenges by adapting the LENS model to work in upland and livestock-dominated landscapes.
- Over two years, the CNCF funded partnership will co-develop common-sense regenerative measures tailored to these farm systems, adapt the established LENS trade model, engage new demand-side partners in the meat supply chain, and test a live LENS trade pilot in collaboration with regional Protected Landscapes.
- The existing Yorkshire LENS trade will continue to run, with the application window for Trade 26 due to open in February.

Recommendations:

- Look to engage SMEs as funding partners by engaging a critical mass of businesses that can share the costs involved in funding a self-sustaining annual LENS trade.

Other possible options to explore include:

- Encourage SMEs to join the Yorkshire LENS as a smaller partner, contributing to projects that are also funded by larger funding businesses.
- The public sector providing the initial 'anchor', thereby providing a basis for SMEs to crowd in and co-fund projects on the ground.

Additionally, SMEs can become involved in other roles, such as through the participation in LENS-led knowledge sharing events.

Find out more

This case study was produced by the Environment Agency using the Executive Summary written by the delivery partner. For any questions regarding LINC please contact Claire.Tunningley@environment-agency.gov.uk

