
South East LEP Local Industrial Strategy

Maximising Natural Assets

Thematic Workshop

7 November 2019





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LOCAL ENTERPRISE
PARTNERSHIP



Welcome, introductions and aims



Workshop aims

- To agree the main opportunities and challenges within this theme
- To propose what the key propositions for the LIS should be and how these should be prioritised



Maximising Natural Assets



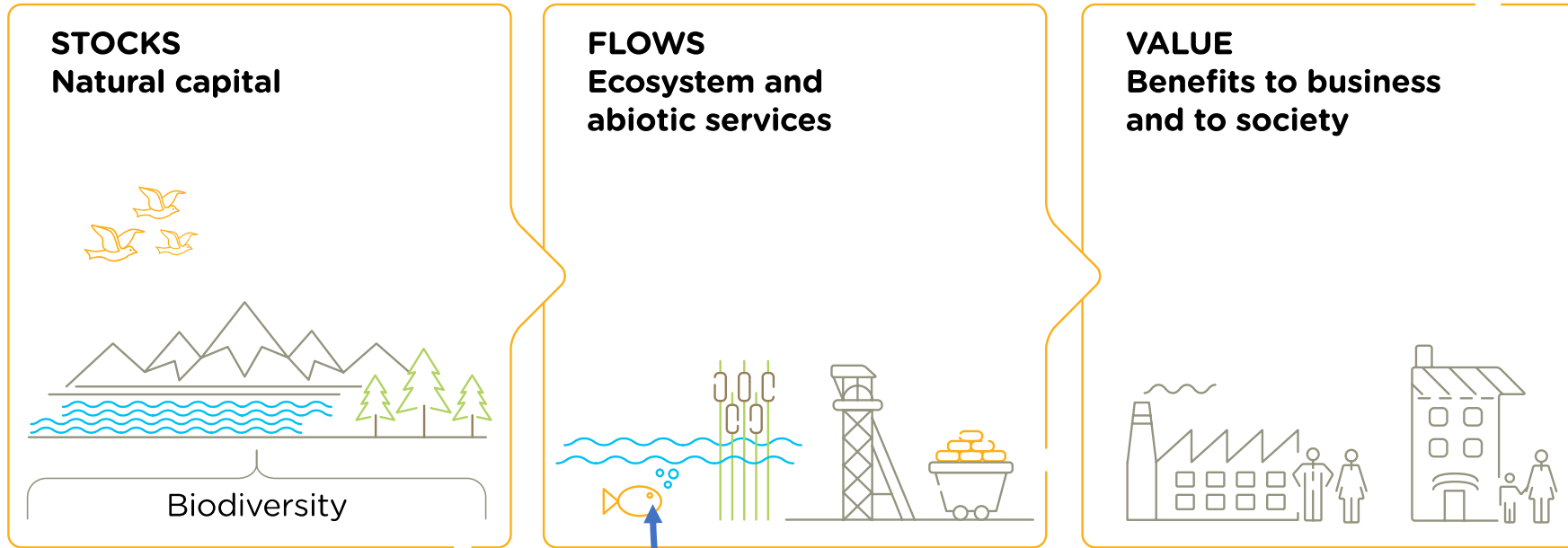
Maximising Natural Assets

- Maximising Natural Assets – why and how?
- Natural Capital and Productivity – some thoughts and examples
- Role of LEPs in making it happen



The Natural Capital Framework

The Natural Capital Framework



Currently economic values, do not reflect all these values. Many remain **hidden or missing**

Protecting the **stock** of natural capital assets helps to address this.

Natural Capital is the **stock** of living and non-living resources, including soils, land, freshwater, forests, oceans etc – and the natural processes that underpin their functioning

The **extent, condition and location** of these assets, determine the flow of goods and services they provide

Reproduced from the Natural Capital Coalition, 2016. "Natural Capital Protocol"
naturalcapitalcoalition.org/protocol/

Why?

Nature – our ‘natural capital assets’ – are in dramatic decline

- 13% decline in species abundance
- 15% decline in average species distribution
- 41 % species have decreased in abundance
- 53% have shown strong changes
- 15% species are threatened
- By 2020, most CBD won't be met

Natural capital assets providing key benefits and services to people – are ‘at risk’



At **HIGH** risk (*NC Committee*):

- **clean water from mountains, moors and heaths**, due to the **quality** of those habitats;
- **clean water** from the current extent and projected **growth of urban habitats**, due to deterioration in freshwater, soils and natural water purification processes;
- **wildlife** is at risk in many habitats (**semi-natural grasslands, enclosed farmland and freshwaters**). This is due to **poor-quality habitats and unfavourable spatial configurations**
- **equable climate** (carbon storage) at risk from the **degraded condition of mountains, moors and heaths** which have the potential for much greater carbon storage

Public Policy drivers

- Natural Capital Committee
 - Defining what 'natural capital is' identifying which bits matter most; creating a conceptual framework around science and accounting
 - Putting the overarching objective into a deliverable framework
- 25 Year Plan for the Environment
- Mandatory Net Gain; Nature Recovery Networks
- Environment Bill (Local Nature Recovery Strategies)
- National Treasury Green Book (A2 Non monetary valuation); Green Finance Strategy

Private Sector

- Climate change: exposure to risk and requirement of disclosure (TFCD *Task Force on Climate Related Disclosure*).
 - “From the ‘ethical corner’ to every boardroom in the country”
 - Natural capital role in ‘adapting’ to climate change (not just mitigation)
- Pension Funds: money to “do good things”
- Natural Capital Protocol – output of the Natural Capital Coalition
 - Coalition >300 organisations globally
 - Protocol: a decision making framework that enables organizations to identify, measure and value their direct and indirect impacts and dependencies on natural capital.

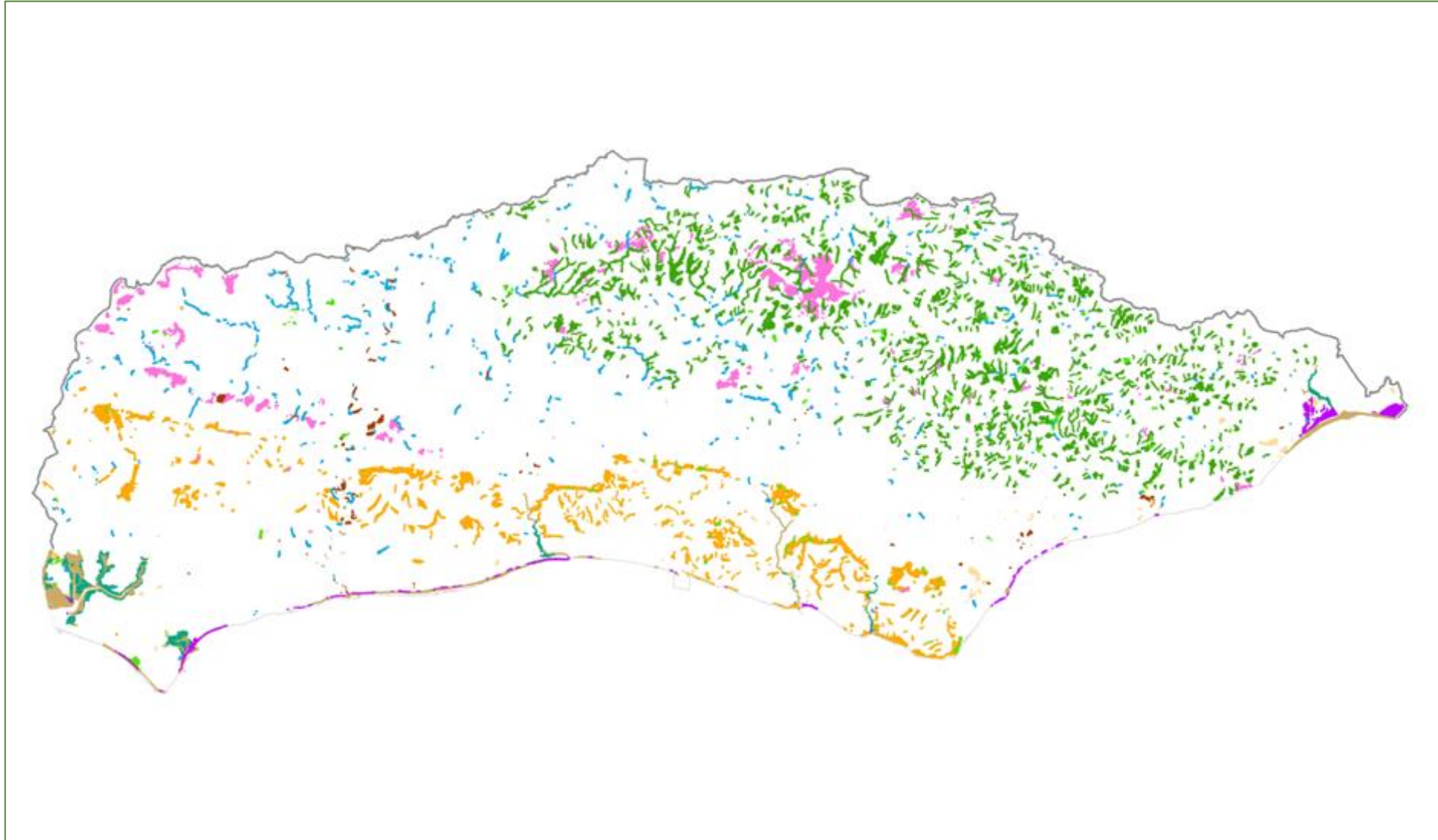




Maximising assets: 2 Key approaches

1. Holding the line (protecting the assets we have).
 - *“Holding the line is not straightforward for the obvious reason that we are going backwards”. D. Helm, 2019.*
 - How this is done – may be different for the main asset types (rivers, farmland, uplands, coasts, urban areas, marine)
 - Bottom line – prevent further loss.
 - Sussex: starting with loss to development of ‘at risk’ assets (and ‘at risk’ benefits – such as water supply)
2. Protecting and enhancing assets

Assets at high risk: “no further loss from development”



Natural Capital – economic case (NC Committee)



- NCC's national work identified a strong economic case for:
 - Woodland planting – located near towns can generate significant societal benefits.
 - Wetland creation – upstream of towns, avoiding prime agricultural land, benefit cost ratios of 3:1 up to 9:1 are possible.
- In addition the NCC also expects high return investment opportunities in:
 - Urban Greenspaces
 - Urban air quality
 - Improved environmental performance of farming.

Natural Capital – links to productivity

Greater Manchester Natural Capital Investment Plan

- Improved health outcomes
- Improving Place
- Building resilience (*climate change and flood risk*)
- Sustainable Travel (*walking and cycling routes*)
- Water Quality and Flood Management
- Climate Regulation (*carbon storage/sequestration & urban cooling*)
- Air Quality Improvement
- Wildlife/biodiversity (net gain)

Sussex LNP Natural Capital Investment Strategy

- Water Quantity (supply)
- Water quality
- Flood risk management
- Accessible Nature
- Healthy and Productive Inshore Waters
- Climate Regulation (carbon storage/sequestration)

Underpinned by:

- Biodiversity 'double lock'
- Enhancement of soil assets where possible

Natural Capital – links to productivity

Surrey Nature Partnership:

- Flood risk; pollution; accessible nature
- Business location – promoting a healthy and attractive environment for business
- Developing skills –needed to enhance natural capital (as part of wider approach to sustainable growth)
- New business models and opportunities to provide multiple partnership benefits
- Support for appropriate housing development
- Biomass projects (wood fuel)



Natural Capital – links to productivity

Oxford – Milton Keynes – Cambridge Arc Growth Corridor

- 1 million new homes and population increase of 1.4 million people by 2050; several new towns; improved east-west transport links

Bedfordshire LNP and Northamptonshire LNP

- “A Natural Capital based Approach to Infrastructure Site Selection as applied to Transport Routes”
- “Natural Capital Investment Planning for the O-MK-C Growth Corridor” 2018
- Embedding natural capital approach – enabling and specifying

3 challenges:

- New development does not cause overall reduction in **extent or condition** of natural capital
- Net gain in local assets from all new development
- Provide opportunities for investment in major natural capital projects

Improved health outcomes.....

- **Accessible natural greenspaces -**
 - physical and mental health benefits,
 - improve community cohesion
 - contribute to tourism
- Targeted investment can address **spatial inequalities** ('accessible nature deficit')
- Sussex: Coastal deficit; link "towns to Downs"

Links to productivity

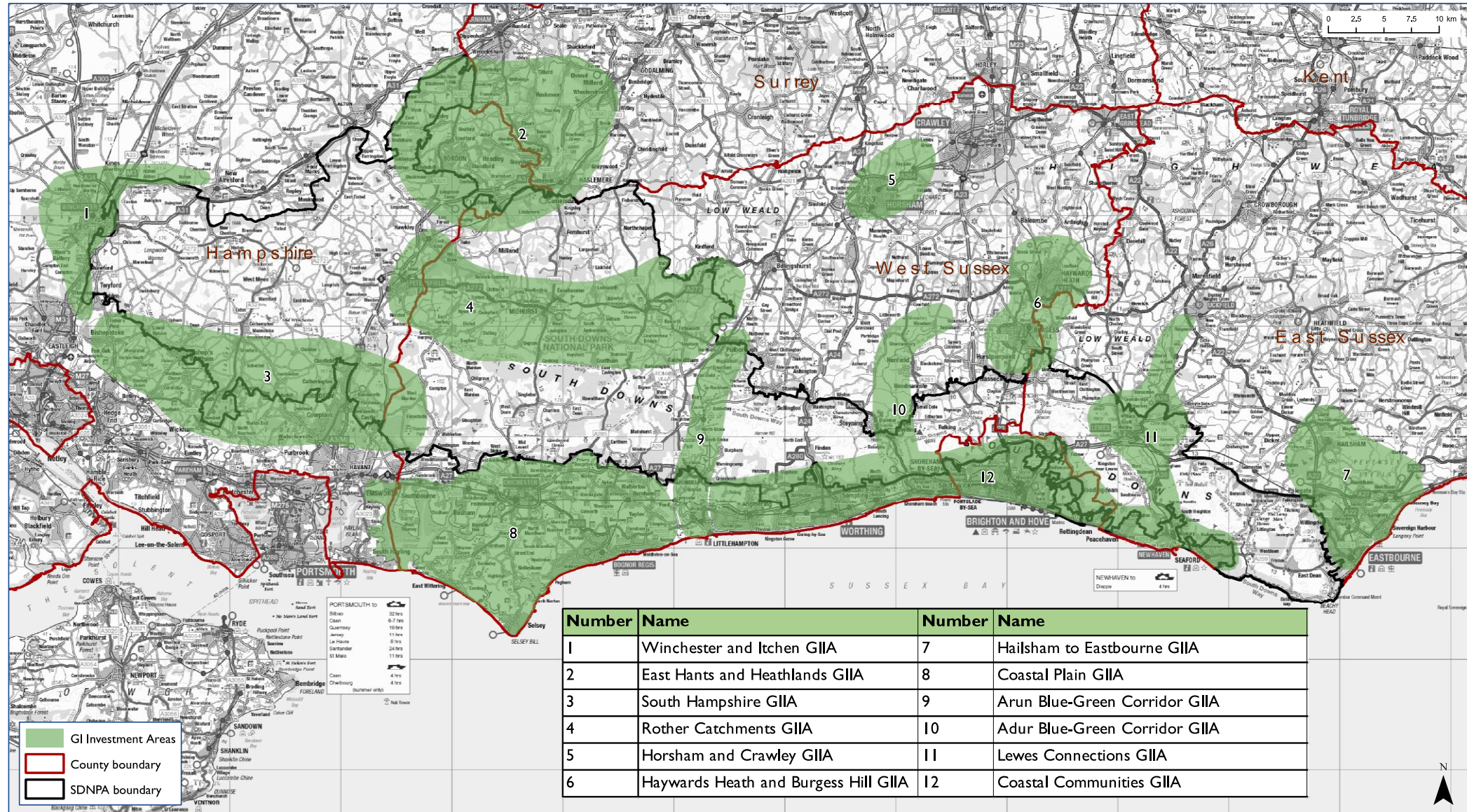
- For every £1 spent on establishing healthy walking schemes the NHS could save £7.18 from the cost of treating conditions such as heart disease, stroke and diabetes.
- If every household in England were provided with good access to quality green space it could save an estimated £2.1 billion in health care costs.
- People tend to live longer when they have access to green space. Perceived neighbourhood greenness is strongly associated with better mental and physical health
- Those living in the most deprived areas are 10 times less likely to live in the greenest areas and die on average seven years earlier than those in the richest areas.



'Future Parks'. NT/ HLF £11m initiative focused on 8 areas in the UK (20 000ha) – for local authorities and communities to fund and managed green spaces

£3.3m PICNIC Fund (Environmental Finance/ NT/ Big Lottery) loans to organisations to invest in green spaces to promote community cohesion, environmental benefits, employment opportunities, health and wellbeing etc.

Natural Capital Investment Areas: accessible nature (Sussex)



Improving Place.....

- This involves investing in natural capital to make the area a **more attractive place to live and work**
- In turn, this will play an important role in attracting inward investment, skills and tourism.
- This also supports an uplift in property values

(Greater Manchester)

Urban examples: Office for National Statistics (Ecosystem account for urban areas)

- 31% of urban areas in the UK are classified as natural land cover (green and blue/ private and public)
- The value associated with living near a green space is estimated to be just over £130 billion in the UK (property value)
- Very large areas of functional green space and blue space within 200m have the largest positive impact on property prices, resulting in an increase of 1.4% and 3.6% respectively.

Value to Business

- Small businesses, when choosing a new business location rank open space, parks and recreation as first priority (US, 2001)



Sheffield Green Estate Programme

Social enterprise project investing in local green spaces to turn them from liabilities into assets. Started with public funding (central gov and EU) – now self-sustaining.

- Increased property values
- Decreased vandalism and associated maintenance costs
- Inward investment to the area by developers

Water – quality, quantity and flooding

Sussex priorities:

- **Water supply** – ground water mostly but in some cases, urgent need to supporting base flows in rivers (abstraction and environment).
- **Water quality**: failing water bodies (WFD) and 'avoided costs' from water treatment.
- Reducing **flood risk**

Link to productivity:

- **Resilience and risk** (regulator and business interest)
- Cost savings and avoidance of need for high cost infrastructure/ treatment works
- Avoided costs following flooding
- Reduction of Pollution and water quality standards (direct avoided costs – and downstream impacts e.g. shellfishery Chichester)
- Interconnections: water quality, quantity and flood risk management; carbon storage and sequestration; think about land and sea connections
- Catchment scale; existing partnerships

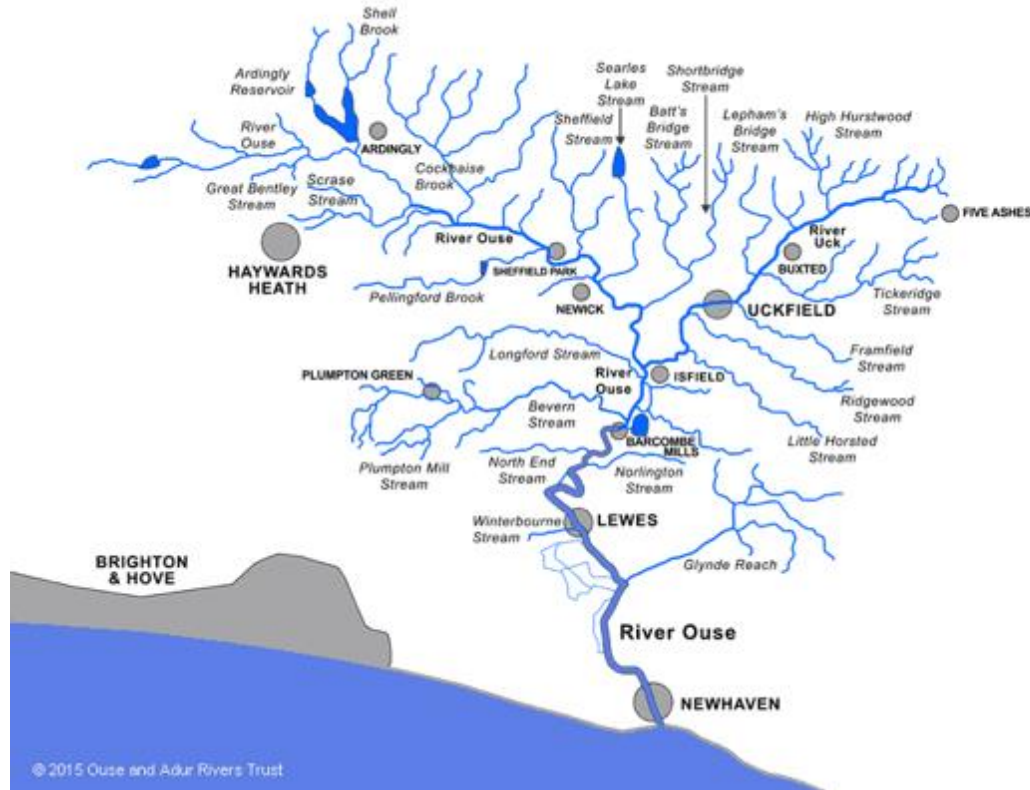


**Intervention – 'slow the flow' of water in the landscape;
Vegetation, soil condition, cover crops, woodland and wetland
creation**

Examples (Green Alliance):

- **Peat regeneration** (Exmoor Mires): 32% reduction in storm flows, improved water quality; increased carbon storage
- **Vegetation planting, pond creation, engineered debris** (Lustrum - Stockton): reduced flood risk by 11.5%; protecting 150 properties;
- **Sussex Flow Initiative:**

Sussex Flow Initiative



Sussex Flow Initiative Natural Flood Management Project 5 year summary of achievements 2012-2017

seasonal water
storage created
1,000,000 ltrs
= 1/2 olympic pool



web/blog hits:
=12,400



28,000
trees planted
= population
of Chichester



8,000 trees planted
in woodland covering
5 hectares
= 200 tennis courts

Sussex Flow Initiative
social media
impressions:
=10,315



black poplar
trees planted:
= 100



length of river we've had
a positive influence over
9.5km = 30 QE II's



local residents
benefiting from events
=2,000



no. of engaged
landowners:
=150

river habitat
distance surveyed
51km = 250 Brighton 1360s



area of land
with advice given:
5,650 hectares
= 8.5 gibraltars



press coverage
readership
=40,000



hedgerows planted: **4.3km**
= 30 Great Pyramids of Giza

volunteer
days donated
=150

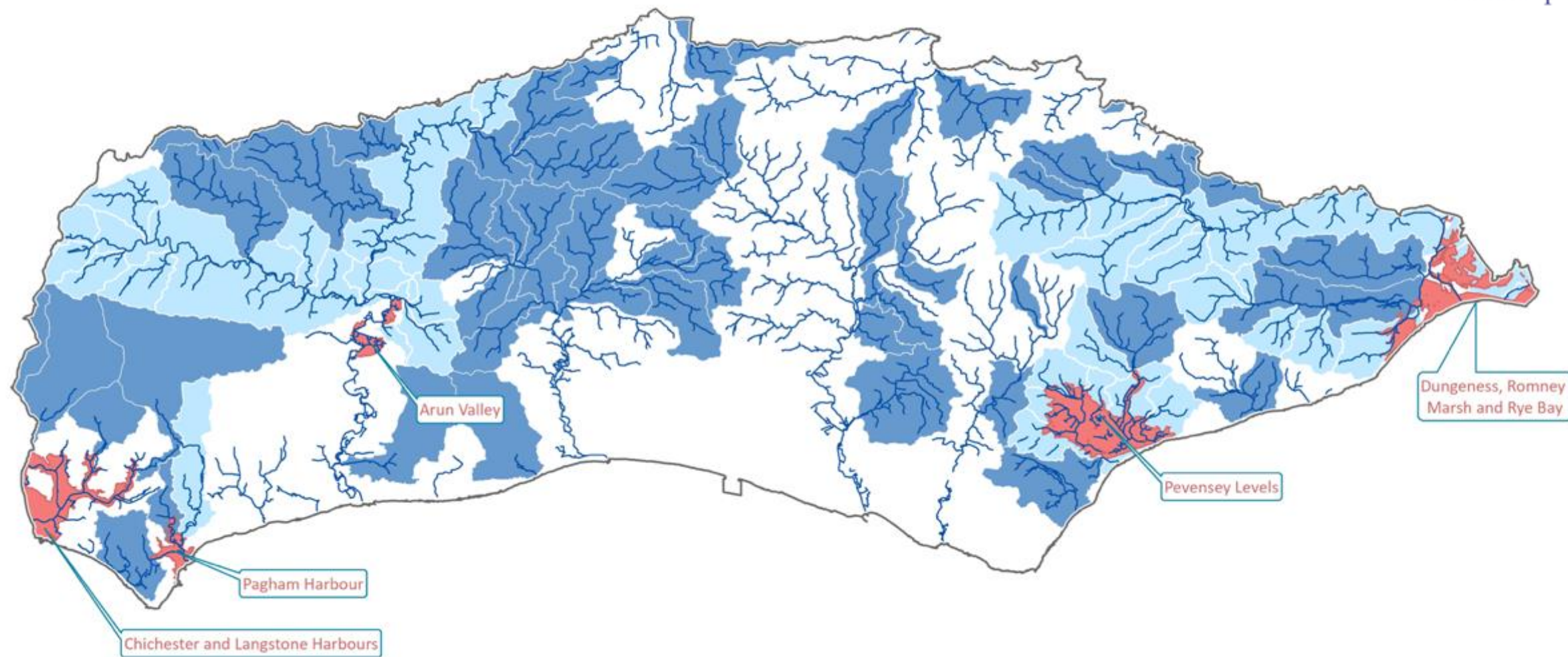


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sequestered
**11,780-
15,200**

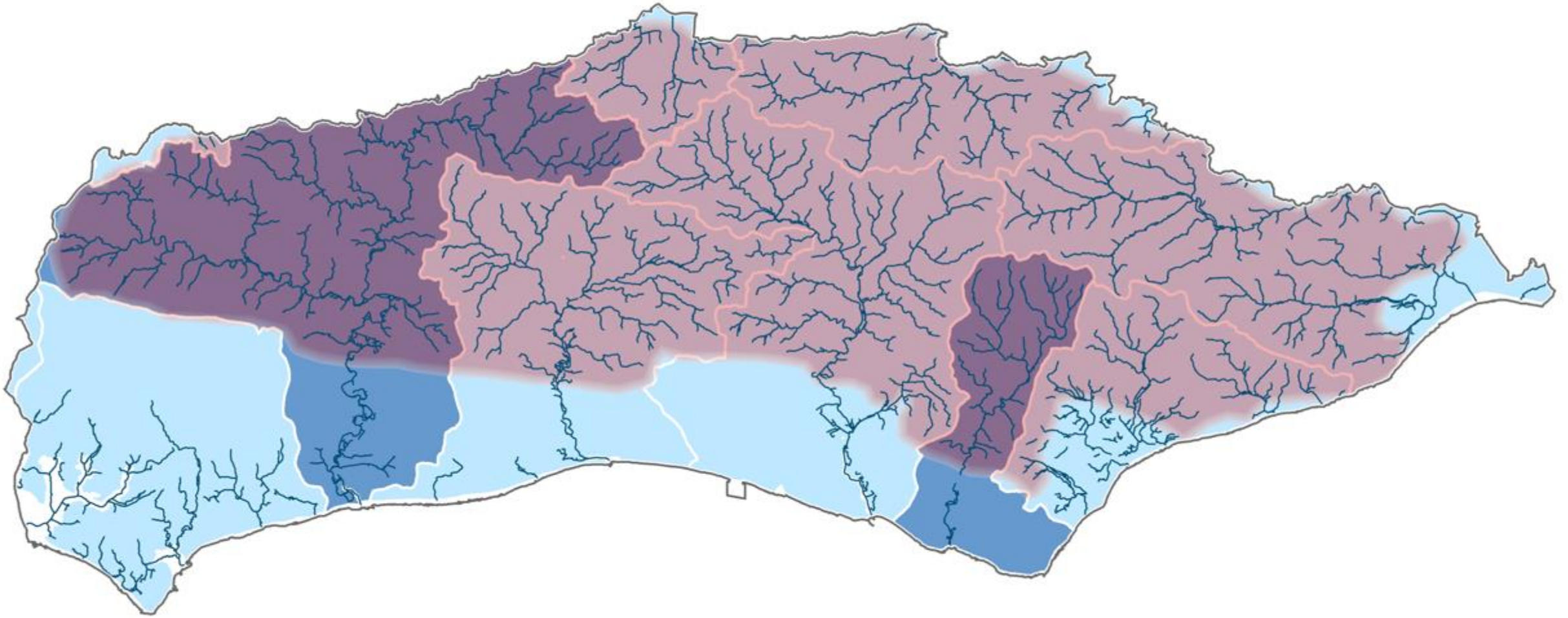
Find out more at www.sussexflowinitiative.org



Natural Capital Investment Areas: a clean water environment



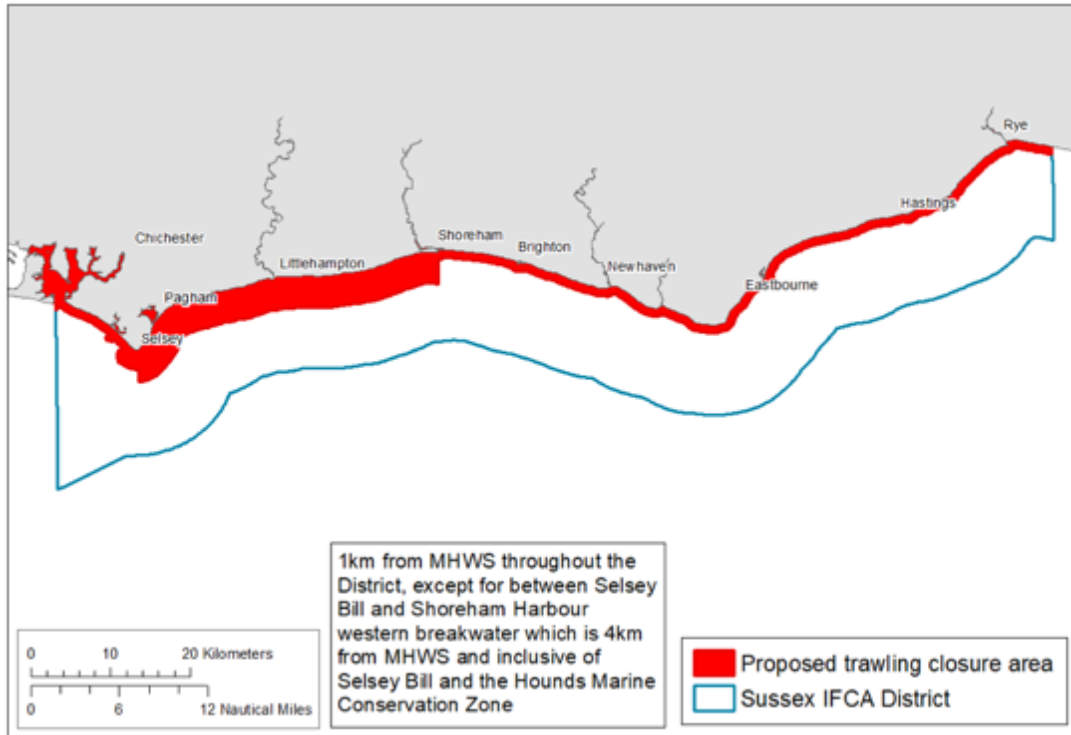
Natural Capital Investment Areas: sufficient water quantity



Natural Capital Investment Areas: healthy and productive inshore waters

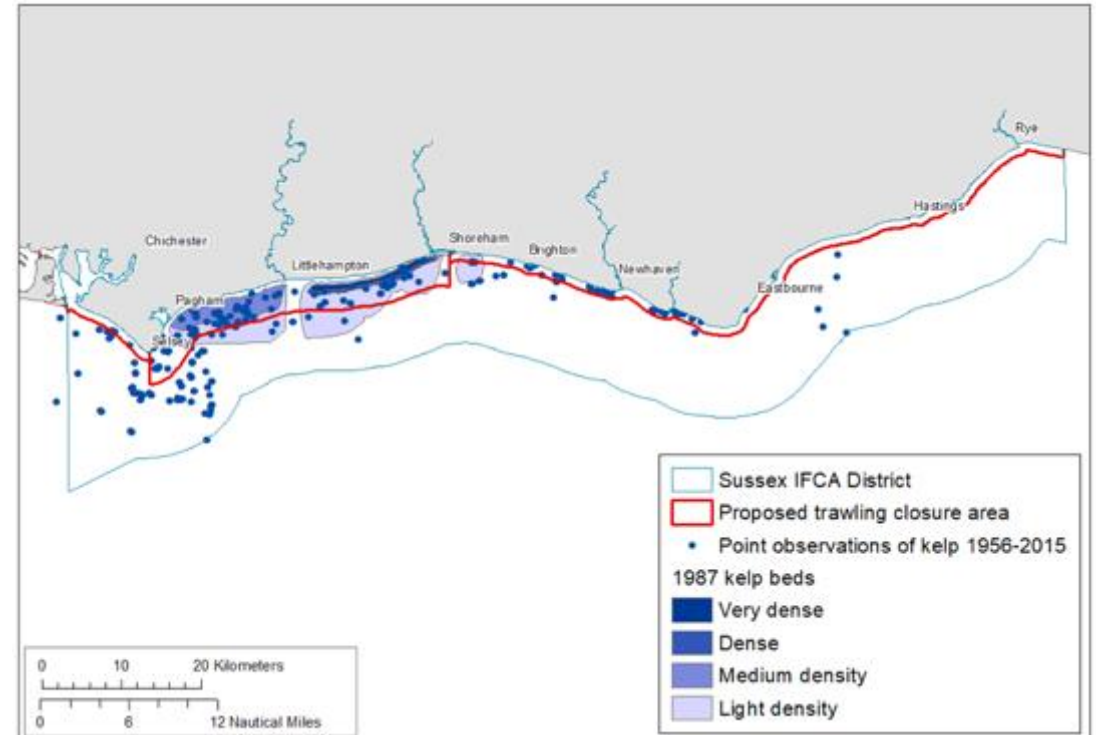
North Devon – natural capital marine Defra pilot

Sussex IFCA and LNP natural capital investment strategy: Application for prohibition of trawling – natural capital assessment



Remove trawling from 313 km² inshore waters.
Impact: £0.09m to business; 9 trawlers affected

Benefits: sustainable fisheries; netting and potting;
reduced bycatch mortality; biodiversity; carbon storage; recreational experience and income



Other key areas

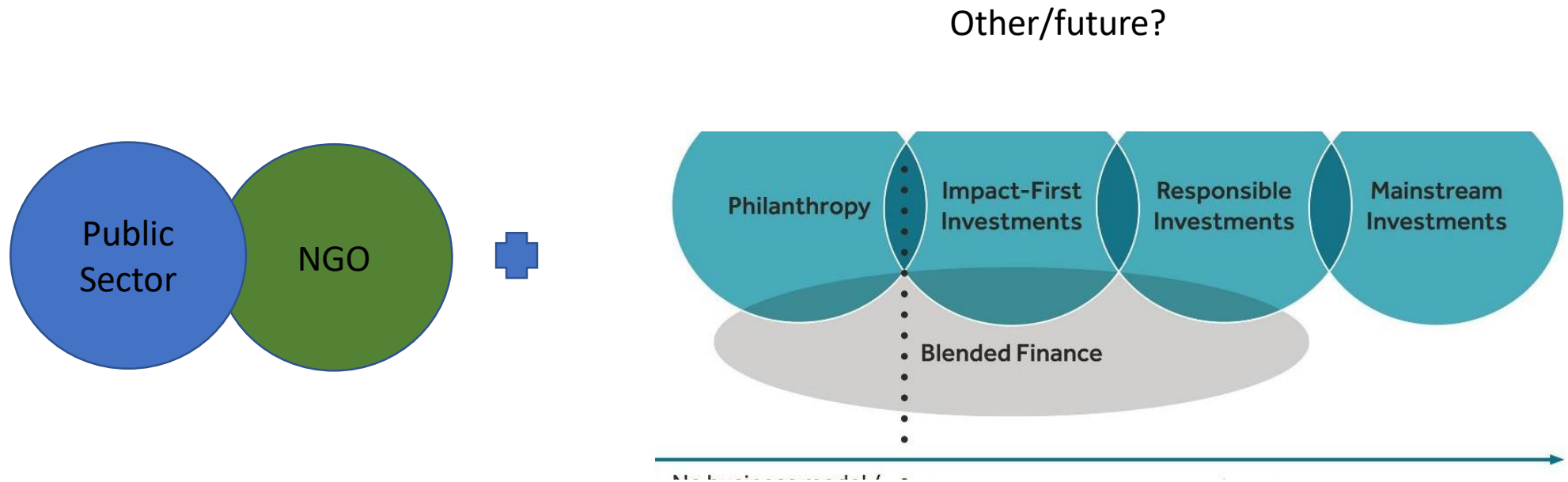
- Carbon storage and sequestration
- Air Quality
- Farmland – *soil, pollinators, wildlife*
- Pollinators
- Coastal Defences
- Food and fibre provision
- Noise reduction



How 'investment ready' are some of these ideas



Where does current funding come from?



Important Messages

- **Evidence base** – where are your assets and what do they do for people and the economy?
- 2 elements to your strategy: ‘**holding the line**’ (preventing degradation) + **enhancing and improving assets**
- Public sector can mainstream investment in natural capital as a way of achieving its objectives (**natural solutions**).
- Think ‘**multiple benefits**’ – and design accordingly
- LNPs have **ideas** and emerging expertise/metrics – but need partnership to deliver
- LEP can provide an enabling environment AND policy requirements (catalyst)
- LEP - role as **sole investor or partner** in collaborative projects and financing
- **Embed** the natural capital approach – at all scales and in all initiatives. Cannot be a ‘bolt on’.





Thank you



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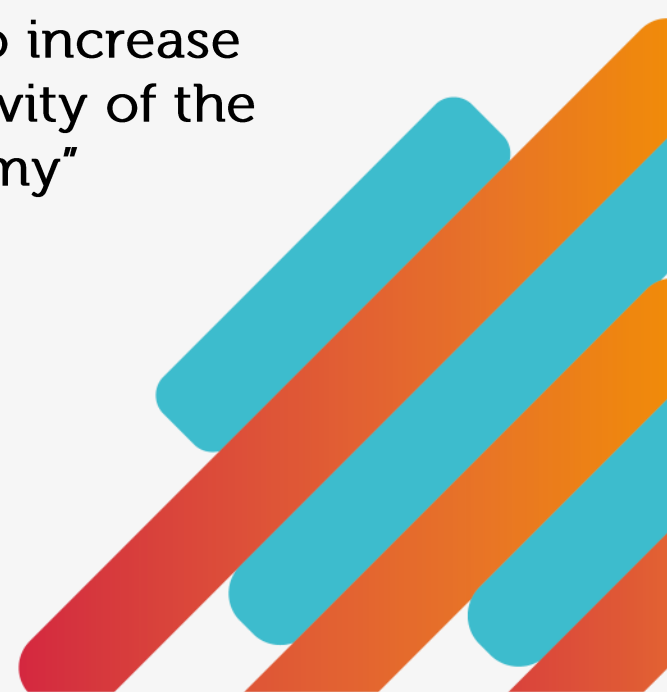
Introduction to the LIS and key findings from the Evidence Base



What is a LIS?

- Local development and ownership, jointly agreed with government
- Take a long term view (2030)
- Supported by robust and open evidence
- Align to national industrial strategy
 - Actively apply 5 foundations of productivity
 - Think about 'Grand Challenges' where relevant
- Must be actionable to mobilise resource
- Guide future government funding streams and local investment

"Local Industrial Strategies should set out clearly defined objectives to increase the productivity of the local economy"

A decorative graphic in the bottom right corner consisting of several overlapping diagonal bars in orange, red, and teal colors, mirroring the style of the logo.

What is a LIS?



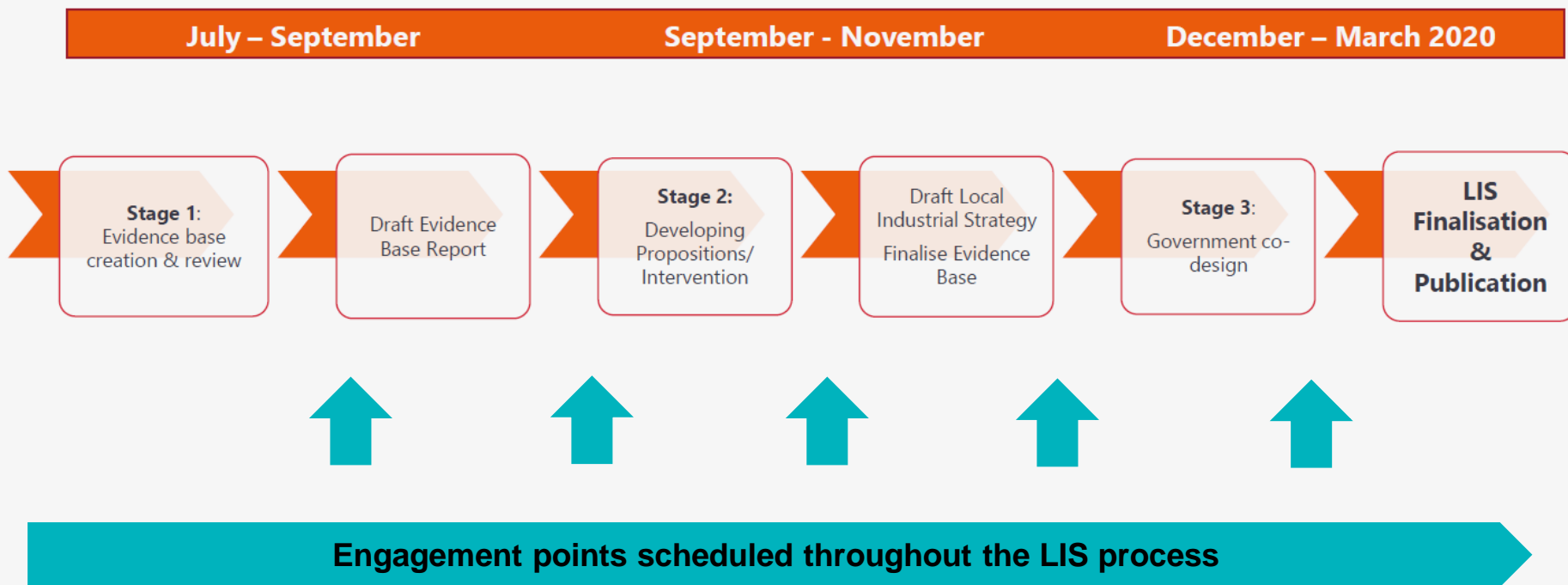
- A future looking local strategy, feeding into the government's Industrial Strategy
- An evidence-led strategy highlighting specific strengths and opportunities that could achieve greater productivity impact
- Support and underpin the allocation of future government growth funding
- A mechanism through which private, public and other partners agree productivity-generating, long term ambitions for the area



- An economic plan for SELEP, including lists of potential projects
- Replacement for other local economic policy or plans, but better coordinating and aligning them at a LEP level for greater gains
- A bidding document in itself
- An exclusively public sector strategy for growth



Timeline and approach





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Emerging cross-cutting themes



Emerging themes for SELEP LIS

1. Building new communities for the future



2. Modelling future connectivity



3. Accelerating business productivity and growth



4. Maximising natural assets



Why this theme?

- Ensuring that we place our natural environment at the heart of growth. Ensuring that we protect and enhance while improving economic productivity,
- New approaches (and therefore economic opportunities) associated with climate change adaptation and renewable energy need to be considered through sustainable methods of construction and design on both land and sea
- Provide opportunities to embed more sustainable lifestyles
 - Using innovation to alleviate pressure on our natural assets
 - Embed clean growth principles, and support wellbeing and healthy living
- Tackling current economic underperformance
 - addressing the Coastal productivity gap of 8% to the rest of the region
 - increase the access rural areas have to economic opportunity





Points for exploration

1. How do we utilise net gain to deliver multiple natural capital benefits for prosperous communities?
2. How do we protect our natural assets and improve productivity at the same time?
3. What are the biggest growth opportunities in our coastal and rural areas?
4. How can we support the Energy sector more effectively
5. How can these assets be utilised for growth and innovation of the agri-food and agri-tech sector, for a more self-sustaining economy?





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A region rich with Natural Assets



- SELEP is highly significant from a national infrastructure point of view:
 - Diverse natural environment
 - Significant coast line of over 650 miles
 - A large rural area – covering 72% of SELEP's area
 - Significant economic opportunities
 - Energy
 - Agriculture
 - Tourism
 - Horticulture

Climate Change Emergency principles

- Tackling the Climate Change Emergency
- Improving environmental resilience
- Protecting our environment and key assets
- Taking an ambitious approach to biodiversity





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Coastal issues



- Evident deprivation in a number of towns, reflecting a combination of Housing, Health, Education, Employment
- Productivity is 8% lower than the rest of the SELEP area
- But, there are significant opportunities in; Energy, Creative and Digital and Maritime Sectors





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Rural issues



- 72% of SELEP's area is classified as Rural
- 62% of SELEP's area is farmed with a diverse number of farmed landscapes
- 17% of the area is woodland
- Tourism and Creative sectors continue to provide economic opportunities

Potential proposition

“SELEP wants to maximise the attractiveness of the area as a place to live, work and do business, as well how they can support climate change, energy generation and resilience”.



Grand Challenges:

Clean Growth
A.I.& Data
Ageing society

Productivity Foundations:

Places
Ideas
Business Environment
People

SELEP USPs:

Capacity for use of natural assets in key sectors e.g. Tourism, Energy, Maritime, Agri-Food and Agri-Tech



Potential ideas and solutions

1. Addressing the Climate Change Emergency by moving towards a Clean Energy Economy

- Support the Tri-Lep Energy Strategy and deliver initiatives that support sustainable energy sourcing, and links to programmes to address ageing society needs, healthy living and green mobility
- Putting natural capital at the heart of decision making to ensure that we protect and enhance our environment
- Demonstrating our commitment to clean growth and sustainability through the delivery of excellence in our new garden communities
- Address fuel poverty in our most deprived communities by developing programmes which will retrofit existing properties with new energy efficient products
- Link FE/HE and public sector agencies to Industry to establish a programme that can deliver the skills the Energy sector requires



Potential ideas and solutions

2. Protecting, enhancing and improving our natural assets to build a sustainable economy

- Optimise the growth and development of the Agri-tech, Agri-food and Forestry-tech sectors to support sustainable food production, maintain plant and animal health and support and enhance natural habitats
- Exploring approaches to extend the visitor season and developing the Tourism sector via a potential Tourism sector deal
- Ensuring that the Creative and Digital Sector are able to achieve their potential and have access to skills, high quality workspace and broadband infrastructure
- Facilitating dialogue with members of the Maritime Industry to establish how the sector can be supported and explore ways to expand how our ports can play in enabling the South East to be a catalyst for new enterprise and international trade
- Provide support for businesses to improve access to 'business critical' infrastructure, resources and professional support



Developing our solutions

Key tests:

- Clearly linked to improving the **productivity** and growth potential of the region
- Offer **distinctive** solutions that respond to our particular strengths and opportunities
- **Realistic** and deliverable, with clear implementation plan



Developing our solutions

1. Are the ideas and solutions the right ones, are there others?
2. What ideas and solutions do we want to focus on for the LIS in order to drive productivity growth?
3. Have we addressed skills and workforce capabilities, promotion of clean growth and support for inclusive communities?



Next steps

- Ongoing stakeholder engagement and discussion
- Refine and supplement the evidence base
- Work up the priorities, propositions and proposed interventions
- Drafting LIS strategy and co-design with government

