

**NATURE  
CONNECTED**



# LIVERPOOL CITY REGION: THE NATURAL CAPITAL DEAL

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Stretching from our famous coastline to our estuaries, our urban parks and green spaces, including our rural hinterland, the richness and diversity of Liverpool City Region’s natural environment is unique.

Nature Connected will provide strategic leadership and direction to enhance, harness and celebrate our natural environmental assets, and with our partners, mobilise resources to protect and manage them for their intrinsic value, and to support sustainable economic growth and improved quality of life.

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## **Proposal for Steve Rotheram, Mayor of Liverpool City Region from Nature Connected, the official Nature Partnership for the Liverpool City Region**

As new Mayor for Liverpool City Region there is an exciting opportunity to create a unique and attractive place where people want to be and are proud to live, where businesses are excited to invest and a city region that is resilient against the challenges we will face in the future.

You have already taken visionary first steps by appointing Gideon Ben-Tovim, OBE as your Mayoral Advisor for the Natural Environment and setting your ambition for our city region to be zero carbon and the greenest UK City Region. Prosperous cities are resilient cities - you have the opportunity to set the ambition and to make better choices for our unique communities and places.

But our natural resources are under pressure as society places ever increasing demands on it. Natural Capital is part of our critical infrastructure and requires an integrated approach to investment for it to continue to provide the services which our businesses and communities rely on.

To achieve this will depend on how we plan the extent and quality of infrastructure - grey, green and blue, to deliver our ambitious vision and avoid harm to our natural life-support systems. The Natural Capital Deal is a strategic approach from Nature Connected to show how we could address some of the pressing issues facing Liverpool City Region. We include a "5-step plan" to help realise your vision of leaving the environment of the Liverpool City Region in better condition and as a statement of commitment to the Combined Authority.

Not working together and failing to embrace our Natural Capital approach risks under-mining our unique city region ambition with missed economic investment opportunities, greater inequality of health, less connected infrastructure and a poorer green environment.

We request that you mandate the Natural Capital and Green agenda to Nature Connected under the Guidance and Leadership of your Mayoral Advisor, Gideon Ben-Tovim OBE.

As a partnership we have the knowledge, expertise and track record of delivery. We can engage, facilitate and involve - many of our partners already lead, deliver or support many projects and initiatives that are truly strategic and transformational in nature.

July 2017



**We propose a five-Step Plan towards a Natural Capital Deal for the Liverpool City Region. Nature Connected can assist the LCR Mayor and Combined Authority to deliver a legacy of an improved and resilient natural environment for our city region. Through these steps we will become the Greenest UK City Region - ambitious, competitive, innovative, low carbon, resilient, sustainable and working together.**

We are committed to working positively and pro-actively with the Combined Authority. Nature Connected has the technical skills, insight to assist city region leaders to make better choices about our places. This will bring resilience and make places more attractive. It will bring investment, innovation and talent.



# STEP 1

## Secondment to Mayoral Combined Authority team

We request that the team established to support and advise the Mayoral Combined Authority in Mann Island is enhanced through secondment from the Nature Connected team to drive forward immediate plans and priorities such as the emerging 1000-day Plan and Spatial Framework. Investment in technical capacity now will help advance and deliver many of the pledges and projects already made in the 100-day Plan including Tidal Power and Global Covenant of Mayors. Adopting an integrated approach now will deliver more investment benefits and outcomes as the plans are implemented.

We will help implement the Sustainable Urban Development Strategy, deliver a Northern Forest and also Trees for Learning, deliver the Ecological Network and support a city-region approach to managing visitor pressure on our internationally renowned coast.

**Our immediate offer** is to align and integrate a Natural Capital approach with the plans and investment across the Liverpool City Region. It is a strategic approach that will integrate and help implement the emerging 1000-Day Plan and Combined Authority Corporate Plan.

Our approach will enable the Combined Authority to access skills and expertise and help chart progress for city region priorities such as harnessing the tidal energy potential of the Mersey. The city region will also need to invest in technical capacity to deliver the scale of projects and ambition.

**In the medium term** and as part of the negotiation for successor Devolution Agreements we ask for devolved responsibility and funding so that Nature Connected becomes the “go to” place for delivery and investment in the natural environment as the “green pillar” for the city region.

We want to do things differently. As part of our medium term plan we wish to take the bold step of piloting an approach where we assemble a hub of knowledge and expertise from across our partnership that is aligned with the joint priorities of the Combined Authority, Local Enterprise Partnership, Mayors’ Office and Nature Connected.

As a national first, we wish to explore opportunities to devolve capacity and funding. Defra agencies, Environment Agency, Forestry Commission and Natural England are fully supportive of Nature Connected and are committed to exploring new models of working that maximise the opportunities presented by devolution.



## STEP 2

### Deliver a Summit on Natural Capital

**Nature Connected can organise the first LCR Summit on Natural Capital for the Mayor within the first 365 days.**

The summit will provide the platform to announce plans and projects and launch some of our projects. It will bring together all sectors, stakeholders and experts as an opportunity to put a “Natural Capital approach” at the heart of our strategy for the city region. The summit could be themed around building economic competitiveness, improve its attractiveness as a place to live and invest in, improving the well-being of communities and increasing the resilience of our businesses.

By announcing the summit soon after the appointment of the Mayoral Advisor for the natural environment there is an exciting opportunity for a quick win that demonstrates your continuing commitment to the green pillar / natural environment.

Nature Connected will commit to assisting the LCR Mayor to deliver the summit as an early priority.

Suggested themes include:

- Resilience,
- Sustainable Urban Development, and
- Natural Capital as part of our critical infrastructure

The summit could provide a launch-pad for a range of initiatives including:

- brownfield development first,
- our work on parks and open spaces,
- enhancing health and well-being,
- our strategic plans for developing our LCR Green Infrastructure network,
- our Blue Infrastructure including the River Mersey and Tidal Energy, and
- implementing the LCR Ecological Network.

The summit will provide an opportunity to discuss our ideas for a Natural Capital Investment Fund for the city region, Mayoral Apprenticeships and our integrated approach with the Spatial Framework.



**Nature Connected** can offer to work through its strong and diverse partnership across all pillars of the Mayors’ and Combined Authority plans to implement a strategic approach to Natural Capital investment, building upon the existing evidence base to target investment and maximise Natural Capital benefits from infrastructure development.

## STEP 3

### **Integrate our Natural Capital Approach with the LCR Spatial Framework, Combined Authority Plans and the Devolution Agreement**

Nature Connected fully supports your aspiration to be the first generation to leave the environment in a better place than we found it and for the Liverpool City Region to be the UK's greenest setting standards for sustainable development.

Our green and blue infrastructure naturally creates places to bring people together and provide services and access to fresh air, clean water, exercise and nature.

Nature Connected will support priorities for the city region through a strategic approach – that means integrated decisions, creating multi-functional places and using a whole system approach.

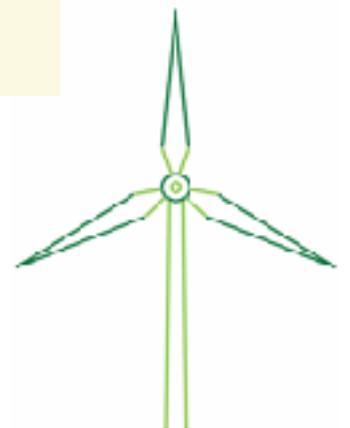
We have a “once in a generation” opportunity for a fully integrated approach between the Devolution Agreement and successor agreements, the single Spatial Framework, Single Investment Fund, infrastructure projects (such as Tidal Power) and the role of Defra environment bodies.

Nature Connected should be closely engaged in the emerging Spatial Framework – we have a lot of evidence and experience to contribute to ensure that the spatial framework policies can deliver the natural capital, green technology and low carbon solutions that we will need to be a world-leading city region. We will also set challenging targets so that we can track our progress towards the vision.

Through this approach we have ambition to influence Government long-term Plans for the Environment, secure greater devolution of powers and assist the Northern Powerhouse. We will engage positively with the proposed Mersey Tidal Commission to assess the feasibility and options for generating renewable Tidal Power from the River Mersey.



The value of the River Mersey is worth between £348 million and £400 million a year to the Liverpool City Region.



## STEP 4

### Create a Natural Capital Investment Fund

Establish a Natural Capital Investment Fund that provides strategic investment in our city region's natural capital assets that will grow a sustainable economy with more jobs, skills and a healthier workforce.

This fund will be used to create attractive, exciting and resilient places - bigger, better, more connected and managed green and blue infrastructure and natural habitats. This will help people get to work with fewer carbon emissions, improve air quality, increase land and asset values, increase rent yields, lower vacancy rates, provide opportunities for exercise and improved mental health.

By taking a strategic approach there is an opportunity to recycle economic benefits of development projects for investment back into our Natural Capital including green and blue infrastructure and low carbon solutions.

By investing in our natural capital we can create a healthy place, which attracts and retains talent, grows skills and where people choose to live healthy and productive lives.

We provide three options for the Fund which Nature Connected wishes to develop with the Mayor and Combined Authority.

**One: A percentage contribution or Natural Capital levy.** A percentage of development value or fee per dwelling contribution. Through a simple, easily administered investment funded approach to support projects and investment to deliver a Natural Capital approach across the City Region. This approach has been successfully applied elsewhere and will require an enabling strategic policy within the Spatial Framework for strategic development projects to contribute at the right scale. We would need to develop the model to ensure that it supports and does not compete with delivery locally.

**Two: Using a Natural Capital metric.**

Developed from the the DEFRA biodiversity offsetting metric, our metric would calculate a contribution based on impacts of the proposed development upon Natural Capital. It would enable strategic delivery of Natural Capital investment across locally agreed criteria. This second approach would enable us to set city region and local priorities for investment more clearly and pull together some of the mitigation/compensation measures already expected of developers through the planning process and City Region Ecological Network to make the process simpler for them. This approach is more complex to administer but does provide the opportunity to develop funding to deliver this.

**Three: Build a strategic solution** using existing regulatory levers to simplify regulation approach for developers whilst maximising benefits on the ground for the communities and environments. A strategic solution could build on pilots by organisations such as Natural England as well as proposed solutions to help manage visitor pressure on the city region's coast.

Whichever investment fund approach is taken it would need to operate at the strategic level, have a strong policy link to the emerging Spatial Framework, be focused on strategic delivery of Natural Capital (avoiding conflict with investment and delivery at the more local level) and would benefit from being driven and owned by for example by the Liverpool City Region Major and Combined Authority.

Linking the fund to policy within the Spatial Framework also gives confidence that the green infrastructure policies will be delivered consistently and where the needs are greatest across the city region.

## STEP 5

### Create Mayoral Natural Capital Apprenticeships

Creating an apprentice scheme as a clear pathway to employment will attract and develop skills and training in a number of key areas relating to Natural capital asset management, accounting and investment delivery – putting Liverpool City Region at the forefront of this developing field and provide pathways to employment.

Nature Connected partners have a track record in delivery of skills and training and we already have an “oven ready” apprentice proposal that could be developed for the city region and targeted towards Skills Funding.

We have the know-how in our partners such as Arup, Peel Group, Housing Partners, the Wildlife Trust, Land Trust and Mersey Forest to build delivery of these apprenticeships.



#### What is Natural Capital?

Natural Capital is “those elements of nature that directly and indirectly produce value or benefits to people and their health and well-being, including ecosystems, species, freshwater, land, minerals, the air and oceans, as well and natural processes and functions.”

## What will a Natural Capital Deal for Liverpool City Region deliver?

### Evidence

We have the evidence to support our 4-steps including the city region Green Infrastructure Framework, 'Nature@Work', LCR Green Infrastructure prospectus, Liverpool City Region Ecological Network and Rethinking Parks Report amongst others. Now is the time to bring this all together and integrate it fully with the plans of the Combined Authority through the Natural Capital approach and with the leadership of Liverpool City Region Mayor, Combined Authority and your Mayoral Advisor for the Natural Environment. In line with the strong evidence base for the city region, the benefits of investing in Natural Capital include:

- **Setting ambitious targets** – by putting a green and natural capital approach at the centre of our city region ambition we can set targets and grow a sustainable economy with all the benefits that it provides. Tracking progress against these targets is essential for us to become a signatory to the **Global Covenant of Mayors**.
- **Increasing resilience** – investing in our green and blue infrastructure increases the ability of the city region to respond to climate and other changes and will ensure that our businesses and community are better able to respond positively to change. We also want to engage in with energy projects to increase the resilience of our energy systems for the benefit for the businesses and communities of the city region. Green infrastructure investment can also improve the performance of grey infrastructure such as water and waste water assets and housing and protect valuable soil resources.
- **Setting the scene for growth** – shaping and enhancing the quality of places in and around our towns and the City of Liverpool. Natural capital investment underpins work locally to help deliver the economic strategy by attracting investment, providing a great place to live, work and visit.
- **Increasing jobs and businesses in the green infrastructure sector** – by developing skills in technology and invigorating the green infrastructure sector locally we can grow green and low carbon jobs. Myerscough and other colleges provide excellent support for this priority.
- **Defining and supporting quality of place and community identity** – green infrastructure is integral to place making, creating a place that people want to live and work in and that provides their needs, underpinning healthy and happy lives.
- **Improved water management** – targeting investment in green and blue infrastructure solutions help improve water quality, avoid soil erosion and deliver cheaper natural solutions to manage flood risk and water supply that will also give a range of other benefits to communities, farmers and land managers. The Urban Catchment Forestry approach, Slow the Flow in Sankey Valley and sustainable urban drainage schemes are all excellent examples of how we can deliver on this priority.
- **Improving health** – targeting areas where we can have the greatest impact to increase productivity and reduce the pressure on health services that might take up resources that could be used for growth. We will provide more opportunities to use the natural environment to keep people healthy for longer, promote and deliver the “passive” benefits of trees and woodlands and through social prescribing and other mechanisms such as the Natural Health Service, develop specific interventions that target chronic health conditions.

- **Improving air quality** – a targeted to green and blue infrastructure can help reduce air pollution. Using a Natural Capital approach would help to ensure that these benefits are realised through project cost benefit analyses as should form part of the Liverpool City Region response to the highest number of deaths attributable to long term exposure to particulate pollution among the six city regions.
- **Adapting to climate change** – projections for climate change identify drier summers, with more heatwaves likely, and an increased risk of flooding in both summer and winter. We will work closely with transport professionals to increase opportunities for active travel, reducing GHG emissions and reducing other environmental impacts. We will grow opportunities for renewable energy from biomass as part of the sustainable management of our tree and woodland assets.
- **Reducing Carbon emissions** – by investing in green and blue infrastructure approach we will store and avoid the release of carbon as part of our city region response to climate change. Conserving our soils and natural habitats must be part of this strategy.
- **Supporting the delivery of low carbon and renewable energy** – Liverpool City Region has significant potential to generate clean, green and low carbon energy as it moves towards a **zero carbon future by 2040**. We will work closely with the Mayoral team to ensure that renewable energy projects are delivered and we will play a full and active role in assessing the feasibility of tidal energy from the Mersey.
- **Increasing land and asset values** – we have the evidence that shows a natural capital approach results in significant uplifts in land value, asset value, rental yields and higher occupancy rates. It makes good, green business sense.
- **Supporting wider northern investment** – Strategic planning and investment in natural capital assets will allow Liverpool City Region to play a driving role in creating and delivering a ‘Northern Forest’ as part of a wider programme, from Liverpool to Hull, underpinning Northern Powerhouse investments and linking closely with Transport for the North infrastructure investments.
- **Delivering new homes** – managing and increasing the resilience of our natural habitats and coast can help us unlock new housing development sites with the multiple benefits that provides for businesses, communities and public services. Implementing the Ecological Network and delivering the visitor management strategy for our world-renowned coast will help unlock housing sites and demonstrate that we take our green responsibilities seriously.
- **Effective, proven delivery and a trusted partner** - using “what works” as well as looking for new opportunities and partnerships. By using a Natural Capital approach we will also help the Combined Authority by being a trusted advisor, a risk-manager and by finding solutions to help deliver city region priorities.
- **Identifying new funding mechanisms** - that can be used to help to deliver Natural Capital benefits at the local and strategic level.
- **Measuring our Natural Capital** – measuring our progress toward the Government’s objective of “being the first generation to leave the natural environment of England in a better state than that in which we found it”.
- **Reversing Biodiversity Loss** – ensuring that we deliver improvements to our stock of natural assets, reverse losses in biodiversity and increase the resilience of our natural habitats to be able to continue to provide services to society.
- **Creating a Spatial Planning Framework** - that ensures every new development is resilient and sustainable and which delivers protection and enhancement to the Natural Capital of the city region.

**Nature Connected** is the Local Nature Partnership for Liverpool City Region and an established partnership acting as the environment arm to the Local Enterprise Partnership. Across our members, a mix of private, public and third sector organisations, we have experience and expertise to develop a natural capital deal for the Liverpool City Region.

We have already produced a strong evidence base for supporting green and blue infrastructure delivery that sets the scene for the strategic environmental improvements needed to ensure Liverpool City Region continues to be an attractive and healthy place for people to live and invest in and protecting our natural resources and wildlife for future generations to enjoy.

We also request that, over time, Nature Connected is provided with resources to invest in the capacity of our partnership to help support delivery of Liverpool City Region priorities including the Devolution Agreement, successor agreements, Combined Authority Plans and the Spatial Framework.

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