



A Natural Capital

Baseline for the

Liverpool City Region



## What is the Liverpool City Region Natural Capital Baseline?

The Natural Capital Baseline is a high-resolution natural capital spatial dataset of the Liverpool City Region (LCR). It includes a natural capital asset map – for example forest, amenity grassland, wetland, sand dunes, etc; and maps of the level of ecosystem services – including climate regulation, flood regulation, water quality, air quality and noise regulation. Using the asset map biophysical measures and economic values for a range of ecosystem services have been derived including recreational access, physical health benefits, carbon sequestration and air quality regulation.

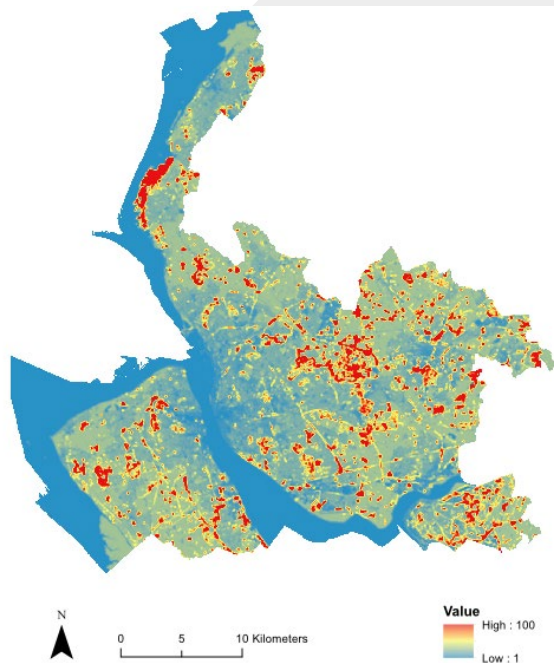
## Why does the Liverpool City Region need a Natural Capital Baseline?

The Natural Capital Baseline will help policy makers, planners and other key stakeholder within the City Region to understand the value of the benefits derived from its natural capital assets and support decision making around protecting and enhancing the environment. This will be key for achieving sustainable development for the region alongside an improved environment.

By providing a dataset that will help the city region measure and monitor changes in natural capital, it will prepare the city region to make the most of opportunities and funding from a Natural Capital Approach as set out in the Government's 25 Year Environment Plan<sup>1</sup> such as:

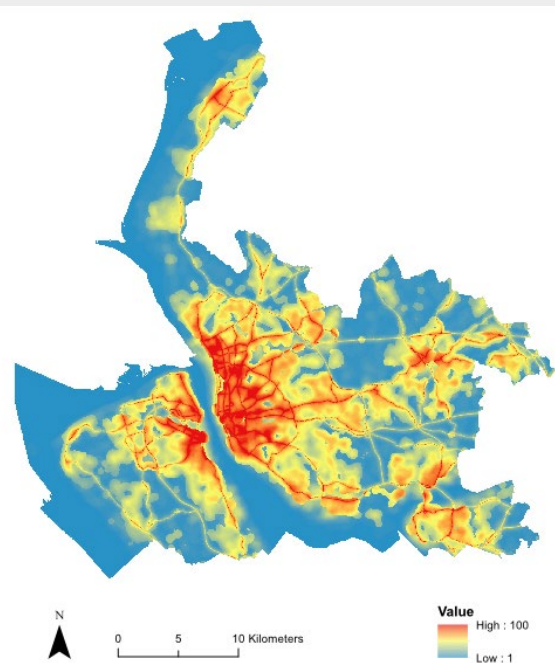
- Net gain principle (set out in the National Planning Policy Framework guidelines<sup>2</sup> and highlighted in the Environment Bill)<sup>3</sup>
- Environmental Land Management System (the proposed alternative to the Common Agricultural Policy within the Agricultural Bill)<sup>4</sup>
- Policies which will encourage private sector investment in natural capital for return on investment

The baseline has the potential to inform local policy documents, such as the LCR Spatial Development Strategy and Local Authority Local Plans, the LCR Local industrial Strategy and other policy areas. The Natural Capital Baseline forms the basis for the development of a Natural Capital investment plan. This has the potential to underpin green growth, support climate change targets and improve resilience, create a better environment for communities and wildlife and enhance the economic and social wellbeing of the Liverpool City Region.



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**Air quality regulation capacity from natural capital within the Liverpool City Region**



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**Air quality demand within the Liverpool City Region**

<sup>1</sup> DEFRA (2018) A Green Future: Our 25 Year Plan to Improve the Environment

<sup>2</sup> Revised planning policy guidance (23/07/19) <https://www.gov.uk/guidance/natural-environment>

<sup>3</sup> <https://www.gov.uk/government/publications/draft-environment-principles-and-governance-bill-2018/environment-bill-policy-paper>

<sup>4</sup> <https://services.parliament.uk/bills/2017-19/agriculture.html>

## What is Natural Capital?

Natural capital is the sum of our ecosystems, species, freshwater, land, soils, minerals, our air and our seas. For the Liverpool City Region this is nature found in our parks, sand dunes, salt marshes, grasslands, farmland and other habitats. These are all elements of nature that either directly or indirectly bring benefit to people and the country at large. They do this in many ways but chiefly by providing us with ecosystem services, such as, clean air and water, health benefits, natural beauty, wildlife, energy, wood, food, recreation and protection from hazards such as floods (adapted from DEFRA 2018<sup>1</sup>).

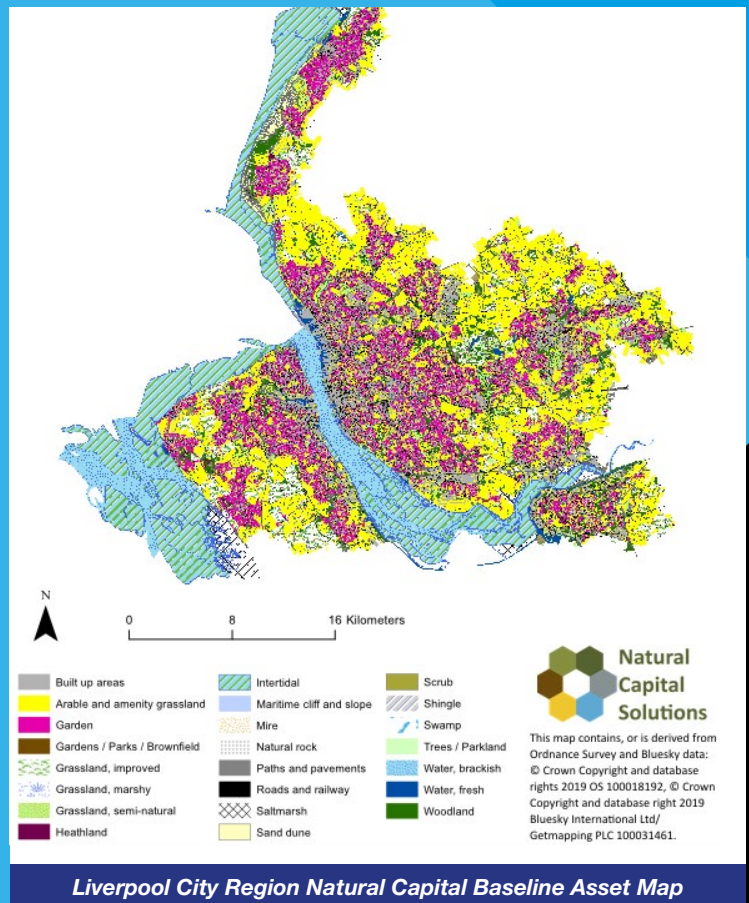
## What is the Natural Capital Approach?

The Government's 25 year Environment<sup>1</sup> Plan highlights the use of a natural capital approach to help us meet the aims to achieving both a healthier environment and sustainable development. Through the concept of natural capital we "give the environment its true regard as a natural asset and key contributor to the overall economy."

The approach sets out to measure and monitor the level and value of natural capital assets and use this information to inform decisions allowing enhancement of the natural environment, which will deliver benefit and boost prosperity. The Plan sets a number of ways to underpin such decisions through public and private finance initiatives to invest in maintaining and restoring natural capital such as the Net Gain Principle, the Environmental Land Management System (ELMS), as well as policy to encourage private sector investment for return.

## How will the Natural Capital Baseline be used?

1. Potential to inform the Spatial Development Strategy and Local Authority Local Plans, by highlighting areas of high and low ecosystem service provision and where investments in assets that create these services are needed (i.e. areas of poor natural flood regulation provision where need for these services has been identified).
2. Support the Liverpool City Region Combined Authority (LCACA) and Local Authorities (LA) to strategically allocate Environmental Land Management System (ELMS) public funding, (biodiversity and environmental) net gain payments and private investment in natural capital to the areas it will provide greatest benefit/of greatest need.
3. To provide a consistent LCR-wide framework in which planners and developers aiming to achieve environmental net gain by allowing them to estimate changes in ecosystem service provision based on strategic plans and development master plans.
4. Provide strategic advice on where best to locate Nature Recovery Areas to build on the existing LCR Ecological Network (and Nature Improvement Areas) and to optimise benefits for biodiversity and people.
5. Provide a consistent measure on the environment that can be used by multiple organisations to align delivery and maximise the benefits that can be achieved for the city region.
6. Allow the LCA and LAs and others to understand natural capital provision at the city region, local authority or ward extent. The baseline can be used to assess and monitor how strategic approaches may influence change in natural capital (level of ecosystem service provision).





## What is the Liverpool City Region Natural Capital Working Group?

The LCR Natural Capital Working Group is a group of like-minded stakeholders taking a collaborative approach with the aim of supporting the combined authority and local authorities in developing and implementing a natural capital approach. This group builds on previous natural capital related work within the LCR, academic research and expertise and ongoing projects and activities carried out by its members.

The group is a subgroup to the Local Nature Partnership (Nature Connected). The group reports to Nature Connected and the Combined Authority. The Natural Capital Working Group has funded the Natural Capital Baseline. The work has been commissioned by the LCR Combined Authority and has been conducted by Natural Capital Solutions with support from group members.

**For further information, please contact the LCR Natural Capital Working Group Chair,  
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