



West Midlands
Combined Authority

Environment Board

Date	8 February 2018
Report title	Developing a West Midlands Natural Capital Investment Strategy and Programme
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Report has been considered by	WMCA HS2 Growth Board – 22/1/2019

Recommendation(s) for action or decision:

The Environment Board is recommended to:

- (1) To approve the approach of developing a West Midlands Natural Capital Investment Strategy and Programme.
- (2) To suggest local green and blue spaces that could be considered as pilots or case studies within the strategy and programme.

1.0 Purpose

- 1.1 This paper is linked to the Environment Board priorities of Green Infrastructure and Green Buildings. The paper seeks to outline the proposed approach on the development of a Natural Capital Investment Strategy and Programme.

2.0 Background

- 1.2 Natural capital is defined as the elements of nature that directly or indirectly produce value to people, including ecosystems, species, freshwater, land, minerals, the air and oceans, as well as natural processes and functions. It underpins all other types of capital – manufactured, human and social – and is the foundation on which our economy, society and prosperity is built (Natural Capital Committee, 2014).

- 1.3 “The total value of the World’s ecosystem services (benefits humans gain from the natural environment) amount to twice as much as global aggregate GDP – up to \$124.8 trillion per year”. (Global Environmental Change

- 1.4 In practice this is taking many different forms:

- Environmental accounts for public and private companies to understand how they are improving their environmental assets, such as land, and the wider value this brings.
- Net gain – where new development has to offset the value of land to nature built on and pay for this to be created elsewhere.
- Attracting a range of new ‘green finance’ to improve the environment from sources such as carbon offsetting and biodiversity credits from UK companies, air industry, and the Government, or water quality and flood and drainage improvement from the Environment Agency and Water Companies.
- Spatial strategies to identify where natural environment improvements, such as woodlands and recreation areas, and linking them up as cycling and walking routes, can bring the biggest health and economic benefits.
- In Greater Manchester they have combined a range of these activities into a spatial plan to show where the environmental improvements are required, and then a set of tools to build business cases and attract ‘green finance’ for improvements.

- 1.5 In the West Midlands we have a range of existing activity operating in this area.

- The WMCA HS2 Growth Programme has piloted a range of approaches to help integrate natural capital and ‘net-gain’ within the workstreams, such as landscape and river corridor improvements.
- The WM Natural Capital Roundtable, led by the Wildlife Trusts and partners, has supported the HS2 Growth Board, and the WM Environment Board to identify how to develop a more strategic approach to Natural Capital.
- The WMCA Corporate plan and Environment Board work plan have commitments to produce a Natural Environment Investment Strategy.

- The WMCA Local Industrial Strategy has a strong emphasis on natural capital and net-gain.
- Other partners such as Birmingham City University, are promoting the concept of a 'national park'.
- The WMCA has supported Birmingham City Council on a £1m bid for a natural environment innovation programme based on existing tools they have developed, so it can be shared across other local authorities.
- The Black Country have already developed a spatial plan identify key 'environmental pinch points' that environmental investment would help with environmental, health, and economic improvements.

3.0 Proposed Natural Capital Investment Strategy and Programme.

3.1 Following advice from Greater Manchester and the WM Natural Capital Roundtable we are proposing a strategic approach to help coordinate and scale of the existing activity, attractiveness to investors, and impact of activity. To do this we will:

- Work with the WM Natural Capital Roundtable, supported by the Wildlife Trusts, to strengthen this partnership with other businesses, utilities and investors to help develop and oversee the production of the Natural Capital Investment Strategy and Programme.
- The Strategy will scale up the work of the Black Country and others to provide a spatial plan of areas of green and blue space to improve and link up.
- The Programme will look at key tools to deliver this strategy, building on existing pilot work by HS2 programme around net-gain tools, and building a pipeline of business cases for investment from the WMCA, partners, and new sources of 'green finance'.
- The Programme will also look at existing mechanisms the WMCA could use to deliver this such as the standards around our projects, housing, creating community gardens and greenspace around local train and bus stations etc.
- Given the complexities of the subject, thought will also be given on how to communicate the opportunities, and the type of capacity and skills required within partners to build business cases and access 'green finance'.

3.2 Proposed Implementation timescale

- February - Approval of approach by Environment Board
- March – Finalising of detailed scope and development timetable with WM Natural Capital Roundtable.
- April – Agree financial support by partners for strategy, and supporting a pipeline of existing projects going to the HS2 Growth Board.
- May/June – Appoint team to develop strategy and programme.
- July – Launch of consultation of development of strategy and programme with partners.
- September – Approval of Final Strategy and programme by Environment Board.

4.0 Wider WMCA Implications

This activity helps strengthen the WMCA delivery of the environment and the delivery of key Manifesto, SEP, Local Industrial Strategies and annual plan commitments.

5.0 Financial Implications

The WMCA will provide some support to the production of the Natural Capital Investment Strategy and Programme through staff time from the WMCA Environment Team , but will need to secure funding from other partners and pilot projects to scale this up across the whole WMCA area.

6.0 Legal Implications

None at this stage.

7.0 Equalities Implications

One of the prioritisation criteria in the strategy and programme will be how environmental improvements on key sites can ensure better access to a high-quality environment, with the associated health, and jobs benefits.

8.0 Inclusive Growth Implications

See above.

9.0 Geographic Implications

This covers the WMCA geography covered by the SEP.