



West Midlands
Combined Authority

Environment & Energy Board

Date	10 March 2021
Report title	Natural Capital Plan
Portfolio Lead	Councillor Ian Courts - Environment, Energy & HS2
Accountable Chief Executive	Deborah Cadman, West Midlands Combined Authority email: deborah.cadman@wmca.org.uk tel: (0121) 214 7200
Accountable Employee	Ed Cox, Director of Inclusive Growth & Public Service Reform email: ed.cox@wmca.org.uk tel: 07788 224179 Jackie Homan, Head of Environment email: jacqueline.homan@wmca.org.uk tel: 07584 449339

Recommendation(s) for action or decision:

The Environment & Energy Board is recommended to:

- (1) Agree the vision and outcomes for the WMCA natural capital work.
- (2) Agree to the action plan detailed within the report.
- (3) Agree to the proposed role and delivery structure for the WMCA.
- (4) Support the submission of an expression of interest to the Environmental Land Management Scheme in the WMCA.
- (5) Support the establishment of a Natural Capital Board and Natural Capital Officer Group.

- (6) Agree the Community Green Grants programme to improve access to green space for communities across the West Midlands (subject to funding).

1. Purpose

- 1.1 This paper provides an overview of the WMCA Natural Capital Plan that has been developed with partners, and recommendations for actions to progress it. It also reflects on the independent advice from the WSP WM2041 Five Year Plan and extensive stakeholder engagement with natural capital leads from regional organisations, including local authorities.

2. Background

- 2.1 In June 2019, WMCA declared a climate emergency and in July 2019 a target date of 2041 was established for the region to achieve net zero carbon emissions. In January 2020, the WMCA strategy (*#WM2041: Actions to meet the climate crisis with inclusivity, prosperity and fairness*) was launched. This plan cut across the different actions that would be required to achieve the 2041 goal in a way that supported inclusive growth across the region. Natural capital played a key role in the strategy in terms of supporting resilience and adaptation; providing a route to mitigate climate change; and recognising the importance of green space for people across the region.
- 2.2 The recognition of the multifunctional benefits of natural capital continued in the follow-up paper that went to the CA Board in June 2020 (*WM2041: A Programme for Implementing an Environmental Recovery*). This paper set out the urgent activity and need for the WMCA and stakeholders to produce five-year delivery plans (four in total) in support of delivering the zero carbon target for the West Midlands by 2041. The first of these WM2041 Five Year Plans (FYPs) is being presented to the CA Board on 19th March and has implications for regional natural capital programmes.
- 2.3 In terms of natural capital specifically, the *WM2041: A Programme for Implementing an Environmental Recovery* paper highlighted the need to address inequalities of access to green space that had been magnified during the first Covid-19 lockdown. In response to this, the WMCA commissioned the New Economics Foundation (NEF) to produce a report on access to green space across the West Midlands. The final report is attached as an appendix. The data provided through the NEF report has now been turned into a publicly accessible data platform (available here: <https://maps.tfwm.org.uk/portal/apps/opsdashboard/index.html#/3e4d8d9006c64e74a575b00a08c89c6c>) that highlights parts of the WMCA (by Lower Super Output Area) where there is low access to green space. The work with colleagues in the Data Insights Team will continue to enable us to get a better understanding of what and how we can monitor our progress around improving natural capital, and access to it, across the WMCA. This will be done with other regional stakeholders who also have significant data in this space. The Community Green Grants scheme (Paragraph 2.33) will be a route to support action to redress the inequalities identified.
- 2.4 The WMCA has also launched the Virtual Forest website, as part of the commitment to plant more trees across the region. This is providing a focal point for people to register trees that have been planted and to share information about events and opportunities. This will be increasingly important as the WMCA accelerates delivery based on evidence in the first WM2041 Five Year Plan (going to the CA Board on 19th March 2021). This indicates that there needs to be a significant uplift in the tree planting effort across the region to support delivery of the net zero target; when Covid-19 restrictions lift the site will enable us to work with regional stakeholders to tackle this.

2.5 In addition to the work that the WMCA is undertaking on natural capital, other regional stakeholders are also involved in a broad range of projects (see 2.14 below). Working with these organisations over the last few months has indicated the need to produce a West Midlands Natural Capital Plan. This Board report sets out our plan, as well as some of the national priorities that potentially have significant bearing on this area of work, particularly the anticipated Local Nature Recovery Strategies that will be required once the Environment Bill receives royal assent (this is likely to be in the autumn of 2021). This report is based on in-depth conversations with stakeholders across the region, including local authorities, and provides an indication of next steps.

National context driving the regional approach

2.6 The Environment Bill is expected to provide a statutory framework for work on natural capital and biodiversity net gain. In the meantime, guidance is provided by the **25 Year Environment Plan**, which has stated the urgent need for this generation to leave the natural environment in a better state than we found it. The plan covers 6 themes, the first 3 being particularly relevant to this report and the region's focus:

1. **Using and managing land sustainably**
2. **Recovering nature and enhancing the beauty of nature**
3. **Connecting people with the environment to improve health and wellbeing**
4. Increasing resource efficiency and reducing pollution and waste
5. Securing clean, healthy, productive and biologically diverse seas and oceans
6. Protecting and improving our global environment

2.7 In addition to the six themes identified above, the 25 Year Environment Plan also sets out 10 goals to be achieved:

1. Clean air
 2. Clean and plentiful water
 3. Thriving plants and wildlife
 4. A reduced risk of harm from environmental hazard such as flooding and drought
 5. Using resources from nature more sustainably and efficiently
 6. Enhanced beauty, heritage and engagement with the natural environment
- Measures to manage pressures on the environment:
7. Mitigating and adapting to climate change
 8. Minimising waste
 9. Managing exposure to chemicals
 10. Enhancing biosecurity

2.8 The **Environment Bill** is the legal manifestation of the 25 Year Environment Plan. The core natural environment measures include:

- the set-up of an Environmental Protection Office,
- a requirement for Biodiversity Net Gain in new developments
- a linked up system of Local Nature Recovery Networks and Strategies (LNRS) that identify local habitats and opportunities for improvement, and

- the Environmental Land Management Scheme (ELMS) which provides subsidies to farmers and landowners based on improvements to ecosystem services and natural assets.

The recent delay to the Environment Bill means that it is now expected to get royal assent in autumn 2021, and its measures are likely to be implemented in spring 2022.

- 2.9 One of the key areas that may influence the natural capital work of combined authorities are the LNRs. There are currently five pilot schemes (Cornwall, Buckinghamshire, Greater Manchester, Northumberland and Cumbria), which are due to be completed over the next few months. Following this, DEFRA will collate their learning points to provide us with valuable information to guide our own planning and delivery. There have been some initial pilots of the ELMS programme and there will be calls in April 2021 for further participants in the next set of trials. Under the recommendations we are proposing that WMCA, working with partners, submits an expression of interest for an ELMS pilot.
- 2.10 The **Landscape Review 2019** (also known as the Glover Review) identified issues with the current system of designating National Parks. The report called for innovation in the way we think about our National Parks and landscapes, how we connect them to urban communities, and how we ensure that there is representative diversity and inclusivity in their management. The West Midlands National Park (launched in July 2020) is cited as a positive example within the review, as are Regional Parks following the Scottish model of larger park-landscape collaborations across authority boundaries.
- 2.11 The **Dasgupta Review on the Economics of Biodiversity** is a landmark report commissioned by HM Treasury and released in February 2021. It calls for urgent and transformative change in how we think, act and measure economic success to protect and enhance our prosperity and the natural world, and puts forward ways in which we should account for nature in economics and decision-making. The Review defines natural capital as: ‘The stock of renewable and non-renewable natural assets (e.g. ecosystems) that yield a flow of benefits to people (i.e. ecosystem services). The term ‘natural capital’ is used to emphasise it is a capital asset, like produced capital (roads and buildings) and human capital (knowledge and skills)’.

Key stakeholders and activity

- 2.12 Delivering this regional Natural Capital Plan will require the involvement of a range of different stakeholders from the public, voluntary, research and private sectors. A number of them have been contacted and consulted for this report. These include:
- Government organisations: DEFRA, the Environment Agency, the Forestry Commission and Natural England.
 - Local authorities: the seven constituent authorities only (there is a recommendation below that this should be extended to non-constituent authorities for delivery).
 - LEPs: Black Country Consortium, GBSLEP
 - Regional nature organisations and partnerships: Local Wildlife Trusts, RSPB, Canals & Rivers Trust, Woodland Trust, Local Nature Partnerships within WMCA region

- Private sector: Severn Trent Water
- Voluntary sector: tree warden and volunteer groups

2.13 As this work develops, it is clear that our engagement will need to stretch beyond this initial group, bringing in others that will be necessary to help us achieve the scale of intervention required, for example as identified in the WM2041 FYP (detailed in 2.22). This will also include broadening the range of businesses involved; bringing significant landowners on board; and stakeholders who can support with understanding the routes to financing.

What is already happening across the region?

2.14 During the stakeholder engagement it became clear that there is already a considerable amount of work underway across the region under different natural capital thematic areas:

Parks	<ul style="list-style-type: none"> • Rethinking parks NESTA/National Lottery programme (Sandwell, Walsall and Coventry) • Future Parks Accelerator (Birmingham) • Garden City (Wolverhampton/Black Country) • GeoPark (Dudley/Black Country) • Love Solihull (Solihull, including tree schemes) • National Park City (Coventry)
Trees	<ul style="list-style-type: none"> • Existing tree strategies (Wolverhampton and Birmingham) • Tree strategy out for consultation (Coventry) • I-Tree ecosystem services measurement (Black Country) • Arden Forest vision (Solihull)
Rivers	<ul style="list-style-type: none"> • Opening and de-culverting (Rea, Sherbourne, Alder Brook) • Connectivity (Cole, Tame and Severn partnerships) • Flood management and restoration (Illey Brook, Smestow Brook, Tipton & Swan Brook) • Habitat restoration (Blythe and Stour)
Habitats	<ul style="list-style-type: none"> • Midlands Heathlands Heartlands opportunity mapping (large scale) • North Walsall Heathlands (smaller scale) • Highways green infrastructure planning, (e.g. Wildlife Ways Solihull)

2.15 This list mainly includes collaborations across more than one organisation and is not exhaustive. To date, we have collated details of more than 30 projects, around half of which were costed and totalled over £30 million within the WMCA region (allowing for some geographical leeway).

What are the challenges that need to be overcome?

2.16 **Strategic alignment.** There are a lot of local authorities, government agencies, NGOs and charities all making valuable connections and making great progress in this area. Stakeholders have been working hard in this area but have recognised the value of a central group to amplify the core messages, integrate with other political agendas and ensure best use of resources.

- 2.17 **Land ownership.** In order to increase tree canopy cover and increase coverage and quality of valuable habitats, a wide range of landowners will need to be engaged. Whilst many of these relationships may be primarily managed by local authorities, there will be some which sit across boundaries and the WMCA can support the implementation of new reward mechanisms like ELMs across the region.
- 2.18 **Competition for space.** Whilst spatial planning sits firmly with local authorities, the collating and maintenance of reliable data across the two LNP areas and the consistent access to expertise of the Natural Capital Board will ensure that the natural environment has a fair hearing alongside other concerns, and will feed into existing collaborations at WMCA like housing and regeneration, One Public Estate and transport groups across the region.
- 2.19 **Maintenance.** Funding for maintenance is a recurring issue and likely to increase as tree planting initiatives gather pace. Some of the new green finance mechanisms both through the environment bill and through private partnerships may be explored to support local authorities dealing with this issue, and further collaboration can be encouraged to share learning through the natural capital networks. Learning from the Millennium Forest indicates that a robust maintenance plan and consistent public education are important to avoid scepticism and disillusionment. There is also heavy reliance on volunteer work in this area which has varying degrees of success.

Vision and outcomes

- 2.20 Natural capital is a key part of the WMCA's environment work and also plays an important role in the work on WM2041 and helping the region achieve net zero. Our commitment is to achieve biodiversity net gain across the region, addressing the ecological emergency as well as the climate emergency. We also want to create better environments for all our people and communities.

Our vision is of a West Midlands where everybody has the opportunity to enjoy the benefits of the natural environment and that, through careful planning and collaboration, we enhance and restore the region's natural capital to address both the climate and ecological emergencies.

- 2.21 Some of the initial outcomes that have been developed and identified through working with partners, as well as through the Five Year Plan, are identified below. We know additional outcomes will need to be considered with the publication of the Environment Bill, for example the anticipated requirement for 10% biodiversity net gain in all new developments. The outcomes identified through the work to date are:

- Everybody can access high quality green space within a 10 minute walk of their home.
- Forestry cover should be increased from approximately 1.5% today to 13%, aligning as much as possible with the long-term aims for England (5.7m trees by 2026 and 19m by 2041).
- Creation /restoration of 5 wildlife corridors along the Cole, Rea, Sherbourne, and Blythe and HS2 development in line with our key stakeholder's priorities.
- Support the creation of 200 jobs in natural capital by 2026 (and 700 by 2041).

Actions to deliver the outcomes

2.22 The table below indicates the high-level actions that have been identified through collaboration with local authorities, regional stakeholders and evidence produced through the development of the WM2041 FYP.

Outcomes that relate to:	Proposed actions
Access to green space	<ul style="list-style-type: none"> • The CA is establishing a Community Green Grants programme, which will support delivery of new projects to improve access to green space. • We will continue to work with the West Midlands National Park to transform the vision into practical action through the implementation of their project pipeline. • Create and distribute a web tool to give local planning departments easy access to information on population pressure on green space.
Tree planting	<ul style="list-style-type: none"> • Develop an annual plan/ targets for tree planting, to be delivered with partners through the Virtual Forest. • Bring major regional landowners together in a ‘tree planting summit’ to promote collaboration. • Support the urban forest masterplan initiated in Birmingham and develop into regional urban forest strategy • Support initiatives from partners that align with our outcomes, for example the Commonwealth Games Legacy Forest being proposed by Severn Trent Water.
Biodiversity net gain	<ul style="list-style-type: none"> • Completion of full habitat mapping across the area before the end of 2021. • Creation/enhancement of urban meadows to increase biodiversity and amenity value of under used open spaces whilst reducing maintenance costs. • We will work with TfWM to explore greening of transport infrastructure, e.g. green roofs on shelters.
Wildlife corridors	<ul style="list-style-type: none"> • Establish a Wildlife Corridors Commission to maximise the connectivity, for both people and wildlife, between green spaces. This would incorporate through green and blue infrastructure. • Roll out regional good practice, for example a regional ‘Wildlife Ways’ programme, building on the work in Solihull. • Support existing projects to explore new finance mechanisms, e.g. leverage private sector finance.
Water and flooding	<ul style="list-style-type: none"> • Work with the Environment Agency to use natural capital measures for food alleviation, where appropriate. • Build on the findings of the circular economy routemap around water as a resource. • Build on the Water for a Sustainable Economy work, begun by the Black Country Consortium and led by the Environment Agency.

Air quality	<ul style="list-style-type: none"> • Develop a regional air quality strategy that compliments the work of local authorities, particularly focusing on particulates (which will be an additional requirement coming through the Environment Bill).
Climate resilience	<ul style="list-style-type: none"> • Prepare a regional climate adaptation plan to understand the main risks faced by the region and measures that need to be taken. • Establish a network of rain garden demonstrators as part of a behaviour change/ communications campaign.
Cross-cutting initiatives	<ul style="list-style-type: none"> • Build natural capital indicators into the WM2041 Business Pledge so businesses understand how they can support natural capital. • Work with the proposed WM2041 Citizen’s Panel to support new natural capital initiatives. • Trial a natural capital apprenticeships scheme as part of the Green Skills Strategy (to be delivered as part of the FYP). • Include natural capital projects as part of the Net Zero Neighbourhood Demonstrator proposed in the CA response to the WM2041 FYP. • Develop an approach to natural capital accounting for the region.

The role of the WMCA

2.23 As outlined in the introduction, during the completion of the Natural Capital Plan, WMCA also produced its first Five Year Plan (FYP). In relation to natural capital, the FYP identifies that:

- Tree planting and more specifically, increasing the area of sustainably managed forests, has an important role to play in achieving net zero carbon emissions through direct sequestration of carbon dioxide from the atmosphere.
- In addition to afforestation there are a number of broader nature-based solutions that can contribute to meeting net zero targets by locking up carbon over the long term. This includes improved management of semi-natural habitats such as heathland and grassland, better soil conservation and land use for agro-forestry.

2.24 The FYP GIS mapping identified that 15% of the WMCA area is suitable for woodland planting according to the criteria applied. This would meet the previous forestry cover target set by the Independent Panel on Forestry in 2012 but not the latest figure of 17-19% set by the Climate Change Committee in 2020. The FYP also considered the use of some of the land for the development of utility scale solar PV and wind installations so these areas have been discounted to avoid double counting, leaving a maximum 13% of the total WMCA area which can be utilised, equivalent to almost 12,000 ha (an increase from approximately 1.5% today). This includes repurposing 9,000 ha of agricultural land to increase tree cover, as well as creating green spaces and woodland areas in 20% of urban and peri-urban areas, equivalent to 10,000 ha. The costs to 2026 would be in the region of £60m for a quarter of the planting within the first FYP. The delivery of these targets now align with the development and delivery of this Natural Capital Plan.

2.25 To deliver its natural capital priorities, the WMCA is well-positioned to connect with the UK government and regional bodies, supporting local authorities as we navigate the implementation of the new environmental measures set out in the draft Environment Bill. We can also provide clear communications to individuals and communities across our region to show clearly how everyone's efforts fit into the wider picture.

Potential support from WMCA could include:

1. Convening a Natural Capital Board uniting Local Nature Partnerships and relevant local organisations to provide expert guidance to WMCA and our local authorities.
2. Celebrating the diverse natural capital successes and approaches across our region, possibly becoming the world's first hub of tree cities.
3. Ensuring the region can benefit from forthcoming trial outcomes to ensure we choose the best route for natural capital investment planning, whilst getting our data in order ready for the Environment Bill completion.
4. Integrating natural capital with social and economic agendas, some of which are already recognised as best in class – this could lift them still further.
5. Innovating in the development of new 'national park' concepts tailored for the needs of urban communities.
6. Linking the work on natural capital in with other WM2041 initiatives to maximise impact, for example engaging the private sector through the Net Zero Business Pledge and supporting the work through our behaviour change programme with the Behavioural Insights Team.

2.26 All of the above combine to provide measurable improvements to our natural environment, better access to quality nature for all our residents with priority for those with the poorest access, and a wealth of economic, physical, social and human co-benefits that complement our wider goals.

2.27 The Young Combined Authority manifesto (shared with the Environment and Energy Board in December 2020) makes a clear commitment to natural capital, both for its own sake and with reference to the mental health benefits and the need for inclusive and diverse access to green space. We need to include them on this journey.

Supporting actions for project and programme implementation

2.28 The table below indicates the range of supporting actions that need to be taken immediately, as well as during the next five years as part of the WM Natural Capital Plan; this has been developed in conjunction with regional stakeholders. The delivery of these are subject to funding being secured both in the WMCA but also by regional partners. They are also subject to external factors, for example the progress of the Environment Bill.

Key area of activity	Identified gap/opportunity	Immediate	Next 5 Years	Key stakeholders for delivery
Delivery of Environment Bill	New legislation explained in Paragraph 2.8.	Follow LNP 9 point plan (see appendix) to ensure all relevant data is easily accessible.	Liaise with all local authorities to support successful implementation and provide single channel of contact with DEFRA.	Natural Capital Board
Delivery of measurable environmental improvements	The measurable improvement of nature and clear expression of the related multiple benefits to businesses and society is fundamental.	Agree initial key performance indicator dashboard.	Develop targets and metrics of success, explore financing options for data maintenance.	Natural Capital Board
Vision and regional showcase	The diversity of approaches to environmental improvement across the region is a great USP which we should be shouting about. This could be achieved through the preparation of a regional plan for natural capital.	Complete project set up and scoping for WMNP project and produce draft website.	Develop delivery of recognised value through award/assessment process and commissioned visioning projects.	Natural Capital Board
Communication	If we get good communications networks set up around these ideas, the potential for learning and accelerating the roll out	Set up Natural Capital Board with wider stakeholder mapping and defined focus. The WMCA has recently	Keep expert board in contact with major infrastructure projects and groups, review targets and aspirations.	WMCA and local authorities.

	of benefits is huge. This was identified as an important cross-cutting element of the FYP work.	appointed the Behavioural Insights Team to support WM2041 behaviour change and communications campaigns; there is the potential for natural capital to feature as an element of this work.		
Integrating natural capital with other strategies.	Natural capital cannot sit by itself in a separate strategy document, we should integrate it fully with our social and economic agendas. The plan we produce will highlight areas of focus, but it will need to link into work on skills, housing and transport, for example.	Identify strategic themes that could successfully integrate natural capital. Investigate this theme with Future Parks Accelerator project outputs.	Further integration with other departments across WMCA and Natural Capital Officers Group as required.	WMCA and local authorities.
Investment	The green finance landscape is changing, we need to engage with this to convert challenges into opportunities. Issues around natural capital need to be part of a 'whole place' approach to development.	Review LNRS trial outcomes and integrate relevant advice at step 8 of LNP proposal. Explore opportunities with Severn Trent Commonwealth Games Forest and Eight Hills Regional Park.	Develop robust suite of finance options relevant to the West Midlands with regular review and shared learning, use mayoral influence and PR to promote and maximise opportunities. In addition, the WMCA is proposing that natural capital would form a part of the Net Zero Neighbourhood demonstrator that is being considered as part of the investment fund	WMCA, local authorities.

			proposals for delivering the WM2041 FYP.	
Employment and skills	Landscaping, horticulture, ecology and forestry are not recognised as core industries for the region, however the aggregated requirement across WMCA region could lead to a significant opportunity to create new green jobs.	Work with local authorities and Natural Capital Board to identify specific demands for green skills through ambitions in their local plans/SPDs and the project pipeline.	Use aggregated demand across the region to guide conversations and build relationships with relevant trade associations and training providers. The FYP indicates that 700 jobs could be established in this area to achieve net zero by 2041. The Green Skills Strategy, that is being proposed, would support the detail and delivery of this.	WMCA, local authorities, industry stakeholders.
Community	Regional and catchment scale landscape projects still need to engage local communities. The WMCA is well-placed to build prestige and cultural change around natural capital.	Encourage and support acceleration of existing local authority initiatives that build public awareness and engagement e.g. tree charters, national park city etc and related PSR initiatives such as social prescribing. Initiate green grants scheme to improve access to the most deprived urban communities.	Continue to build language and understanding of the many benefits of nature to our communities particularly encouraging storytelling from residents and evidence from practical initiatives. Further, our delivery of the WM2041 FYP indicates the potential for roll out of a programme of Community Green Grants, working in conjunction with local communities and delivery partners. The data platform, built using the work done by NEF (Paragraph 2.3), indicates where initial work and investment might take place.	Local authorities, Natural Capital Board.
Supporting Local Green Plans	General communications around green principles and support in removing	Set up robust communications around the common natural	Build networks and seek feedback on how to support local authorities in removing	Local authorities, WMCA,

	systemic barriers should boost the delivery of local green plans.	capital principles that underpin all the region's local plans.	systemic barriers to boost the delivery of local green plans.	industry stakeholders.
Planted streets and transport resilience	Some of the modal shift and climate change adaptation for transport could link closely with natural capital interventions and benefit from sharing learning and best practice.	Celebrate local successful tree planting initiatives, engage with TfWM colleagues to support their work.	Continuation of these actions.	Local authorities, TfWM.
Data	We need a robust and consistent data across the region as a foundation for the environment bill delivery.	Provide plan and costing for first 3 steps of LNP plan (appended).	Completion of LNP appended plan including web data portal, and long-term progression alongside natural capital board recommendations	WMCA, Natural Capital Board, local authorities.

Supporting regional scale natural capital projects

- 2.29 As well as the thematic opportunities described above, the WMCA is also home to large scale innovations building on the Glover Review recommendations (Paragraph 2.10). These offer opportunities to bring passion for protecting the natural environment and engaging people with nature to large urban communities.
- 2.30 The **West Midlands National Park** is a unique concept originating from Birmingham City University which aims to cut across boundaries and sectors presenting a united vision of our landscape and culture to local, national and international communities. This project needs seed capital to demonstrate practical manifestations of the concept and develop 'prototype processes' to show how it could work in practice. In 12 months' time we should expect to see a draft website and some early project trials using the assessment process to demonstrate the value proposition and funding mechanisms. WMCA should provide project management executive support for this as detailed in the MoU.
- 2.31 The **Eight Hills Regional Park** on the southern border of the region has more of a precedent to follow with a few Scottish and English examples of large scale landscape management to benefit people and wildlife, and is likely to provide a good opportunity to trial practical green finance and private sector partnership models to the benefit of urban communities particularly in the south of the WMCA area.
- 2.32 The **Commonwealth Games Forest** is a project that shows the potential impact of private sector engagement with Natural Capital and has high aspirations of bringing social benefits as well as the environmental services of woodland space to urban communities. It is providing early insight into some of the challenges and details of building relationships with landowners that will become so important for further delivery of the FYP.

Potential funding and financing sources for delivery (limitations and criteria)

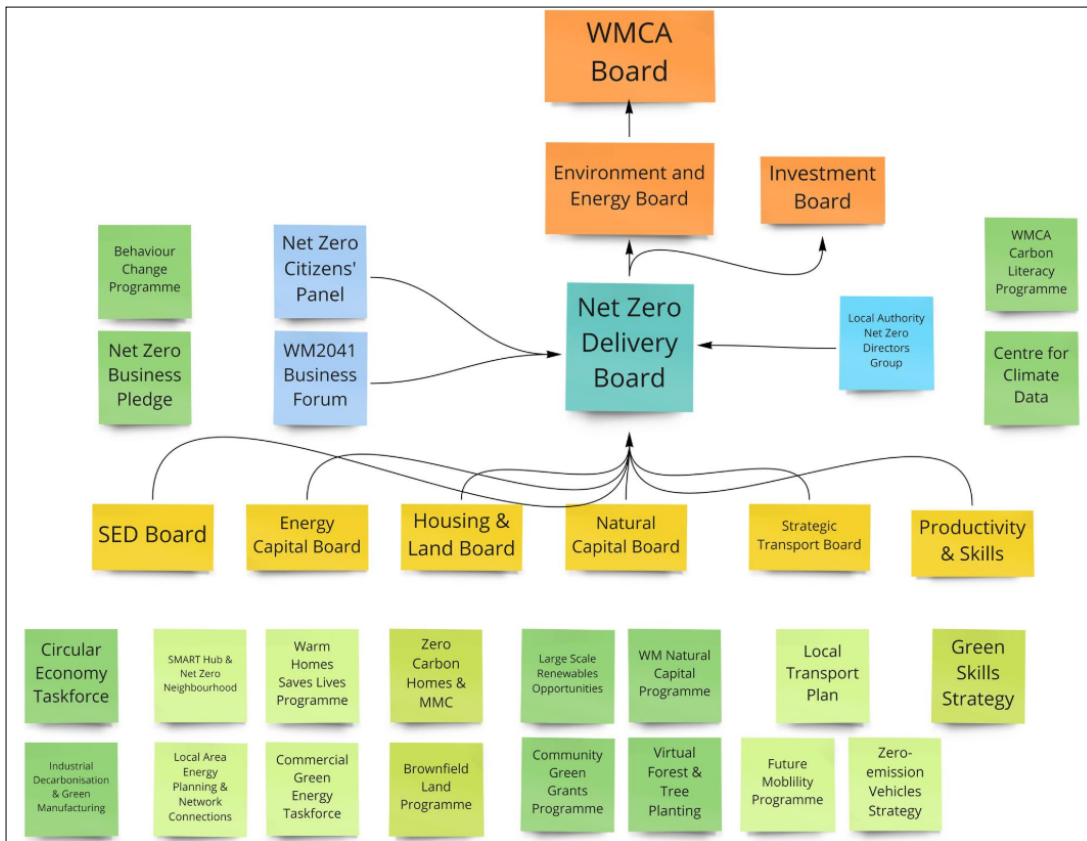
- 2.33 Some of the delivery could be funded through traditional grant-based approaches. Each of these schemes has different scale and criteria, some of which would be more appropriate for delivery partners to apply for. The main ones that are currently available include:
- Potential to apply for ELMs tier 3 pilot to investigate landowner-related finance
 - Heritage Lottery Funding for wider landscape schemes
 - Health and wellbeing funding routes through PSR collaborations
 - Potential future funding options through DEFRA e.g. NEIRF (Natural Environment Investment Readiness Fund), Nature for Climate fund
- 2.34 It is also important that we also begin to consider potential new financial solutions for natural capital that take us beyond a grant-based approach. These sources could include:
- Crowdfunding (Future Parks Accelerator are currently conducting a trial)
 - Private finance models e.g. through river catchment partnerships
 - Balance between commercial and non-commercial tree planting

- Locally developed initiatives e.g. co-operatives, community interest companies

2.35 Finally, the WMCA is exploring the potential for rolling out a programme of **Community Green Grants**. These are outlined in the WM2041 FYP CA Board paper in more detail. The aim is to boost natural capital, and promote biodiversity net gain across the region, as well as addressing the inequality of access to green space that the NEF work identified. The grants scheme would enable us to work with delivery partners across the West Midlands to provide community grants to roll out projects to create, enhance and improve access. We would work with local authorities and environmental NGOs whose expertise would ensure that the right schemes are delivered in the right places.

Structure for delivery

2.36 In order to support delivery of the Natural Capital Plan it is recommended that WMCA convenes a **Natural Capital Board** for the region, to bring together stakeholders to provide support for work on biodiversity net gain and nature-based solutions. This will include a wide range of issues, including: tree planting, taking responsibility for a Local Nature Recovery Strategy and work to support funding and roll out of community green grants. Delivery will happen in conjunction with local partners and also in working with large scale infrastructure projects like the Commonwealth Games and HS2 and considering wider strategic planning issues. **The Natural Capital Board will publish an externally-facing Natural Capital Plan as soon as possible after publication of the Environment Bill based on the material in this board report and further development work in the meantime.** An initial meeting to shape this Board has been held and it is proposed that it will sit in the WM2041 delivery structure in the following way (this is subject to approval by the CA Board on 19th March):



2.37 It is also recommended that WMCA convenes a **Natural Capital Officer Group** with local authorities to strategically co-ordinate opportunities in support of the Natural Capital Board, ensuring local authority duties and services such as planning, parks and open spaces maintenance, highways and resilience are engaged appropriately. We would anticipate including the WMCA non-constituent authorities into these discussions.

3. Financial Implications

The delivery of the WMCA natural capital programme is dependent on resourcing. This has been partly outlined in the WM2041 FYP paper going to 19th March 2021 CA Board. There are recommendations in there that will support the acceleration of a regional Natural Capital Programme, in terms of revenue to support the capacity of the Environment Team to support the role of the WMCA and to develop the work on Community Green Grants.

4. Legal Implications

There are no legal implications as a result of this paper or the Natural Capital Plan. Any legal implications will be considered as part of the approach to delivery of the Natural Capital Plan.

5. Equalities Implications

The work that has been undertaken on natural capital is central to the addressing the challenges related to climate change; natural capital has a key role to play in both mitigation and adaptation. However, we have been clear from the outset that WM2041 must also have significant social and economic benefits for the region. Natural capital has emerged as an area where there are currently clear inequalities of access to high quality green space, either because of distance or pressure on what is currently available. The work that we will be taking forward will look to address this, driven by data that is available to us.

6. Inclusive Growth Implications

WM2041 was established as a programme that had inclusive growth embedded within it. The commitment to transition to net zero in the WM2041 plans, as well as the alignment with the UN Sustainable Development Goals, underpin our whole approach to addressing climate change. This also runs through the FYP, where we have highlighted co-benefits around addressing climate change. These range from reduction of fuel poverty through an extensive retrofit programme, through to natural capital solutions and widening access to green space for people across the region.

7. Geographical Area of Report's Implications

The Natural Capital Plan covers all local authorities of the West Midlands and the delivery will also involve non-constituent members, which we have reflected in the membership of the Natural Capital Officer Group.

8. Other Implications

None.

9. Schedule of Background Papers

Final NEF report
LNP report