

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2042

Title: A Natural Capital Account for London

Executive Summary:

This ADD requests permission to contribute to a project (led by the National Trust and part-funded by the Heritage Lottery Fund) to undertake a natural capital account for London parks and green spaces. Natural capital accounting is a methodology developed by the Natural Capital Committee on behalf of the Department for Food and Rural Affairs (Defra) to establish an accounting framework which values some of the intangible benefits of the natural environment.

The National Trust has trialled a natural capital accounting framework for the parks network in Sheffield. The London natural capital account will take this framework and test its applicability to a city region. The outputs will be used to help reveal the economic value of London's parks and green spaces; a necessary step in order to help develop the business case for green infrastructure as recommended by the London Infrastructure Plan and the Green Infrastructure Task Force report.

The work will be undertaken by consultants procured by the National Trust. Data collection, data analysis, and production of a final report, has been costed at £35,000 and will be complete by December 2016. The cost of the work will be split three ways. National Trust and Heritage Lottery Fund will both contribute £10,000 with the Greater London Authority contributing £15,000.

Decision:

That the Assistant Director approves a contribution of £15,000 towards the production of a Natural Capital Account for London.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Patrick Feehily

Position: Assistant Director - Environment

Signature:



Date:

1.11.2016

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 The Mayor's London Plan, the London Infrastructure Plan and the emerging London Environment Strategy recognise the importance of London's parks, green spaces and natural environment and put policies in place to ensure the resource is properly protected.¹ The Mayor is also committed to making London a National Park City. However, despite a relatively robust land-use planning framework that is reasonably effective at protecting the quantum of green space, the network of parks and spaces is not always properly managed and maintained. This is because the economic value of parks and green spaces is difficult to determine using conventional financial accounting methodologies.
- 1.2 This issue is not confined to determining the economic value urban green space. The Department of the Environment, Farming and Rural Affairs (Defra) have recognised that this is an issue which applies to understanding the true value of all land which provide so called ecosystem services (e.g. flood management, pollination, nutrient/waste cycling, etc.) that are usually external to the land-owner. Consequently, Defra established a project to develop a methodology for ensuring that the various benefits associated with natural capital are properly taken into account. The development of this methodology was overseen by the Natural Capital Committee, established by Defra and reporting to the Treasury Select Committee.² The Natural Capital Committee created a natural capital accounting (NCA) framework which was published in January 2015.³
- 1.3 Since the publication of the NCA methodology it has been applied and tested at a number of different scales and against a number of different scenarios (including a site specific scenario – the Beam Parklands NCA – funded by the GLA). The testing of the NCA methodology has indicated that the methodology provides the most useful information when it is applied to a portfolio of sites and at scale.
- 1.4 The purpose of this work is to value London's parks and greenspaces in a way that captures their overall contribution to London's economy and society and the potential to grow this in the future to underpin London's continued success as a leading global city. This NCA will be designed to inform the All London Green Grid and the future funding and management of London's greenspaces, which are vital to the lives and wellbeing of Londoners.
- 1.5 This proposal builds on the work that Vivid Economics have undertaken for the National Trust and Sheffield City Council, developing a prototype natural capital account for Sheffield's parks and greenspaces. The methodology was based on expert guidance from the Natural Capital Committee and subject to informal peer review. The Sheffield parks NCA has proved useful for city decision makers, making a clear case for continued investment in greenspace both within the local authority and outside with health, business and social investment sectors.

¹ <https://www.london.gov.uk/what-we-do/business-and-economy/better-Infrastructure/london-infrastructure-plan-2050>

² <https://www.gov.uk/government/groups/natural-capital-committee>

³ <https://www.gov.uk/government/publications/natural-capital-committee-research-corporate-natural-capital-accounting>

- 1.6 This work will inform the emerging London Environment Strategy, the forthcoming London Plan and further work resulting from the implementation of the London Infrastructure Plan. N.B. London parks and green spaces – planned, designed and managed as a green infrastructure – is identified in the London Infrastructure Plan as one of the essential enabling infrastructures that underpin London’s continued economic success.

2. Objectives and expected outcomes

2.1 Objectives:

- To produce a natural capital account for London.
- To highlight the value of the services provided by parks and green spaces by transposing intangible values into monetised values
- To determine whether the natural capital accounting methodology is a useful tool for influencing decision-making with respect to investment in parks and green spaces
- To inform the emerging London Environment Strategy and the forthcoming London Plan.

2.2 Outputs:

1. A report setting out the account methodology and the account itself
2. An executive summary slide-deck of the methodology and account.

The final report will provide information, analysis and a narrative that will better articulate the value proposition for maintenance and investment in green space; provide a stronger evidence base upon which to develop the strategic offering of services from green space; and can enable more effective engagement with central government and other strategic investors in discussions on the funding of parks and wider green infrastructure.

3. Equality comments

- 3.1 No adverse impacts are identified for the proposed programme of works described in this ADD. Meeting the objectives of this proposal is expected to bring positive contributions to equality arising through improving London’s green infrastructure which provides a range of benefits to all Londoners.
- 3.2 The other main project partners (National Trust and Heritage Lottery Fund) have appropriate equalities policies and procedures in place that govern the projects they fund.

4. Other considerations

4.1 Risks

- The project is reliant on data being provided by London boroughs and therefore there is a risk that the consultants are unable to produce a full natural capital account if this data is not readily available or supplied in a timely manner. However, this data, although sometimes difficult to obtain has been supplied for other purposes previously and we will be working with Parks for London which co-ordinates the London Heads of Parks Services network via which data can be obtained.

- The granularity of the data is not sufficient to be able to produce a natural capital account that provides a meaningful 'balance sheet'. However, natural capital accounting is a methodology still being tested and refined by the Natural Capital Committee and Defra. Consequently, further information on the barriers to developing a full account are worth learning.

4.2 Links to Mayoral strategies

- The Mayor's London Infrastructure Plan
- The Mayor's London Plan
- The Mayor's Biodiversity Strategy

5. **Financial comments**

- 5.1 The Assistant Director's approval is being sought for expenditure of up to £15,000 to contribute towards the production of a Natural Capital Account for London. The budget for this will be from the Environment 2016-17 programme budget for the All London Green Grid (GE.0330.011.03.06). The work will be undertaken by consultants procured by the National Trust.
- 5.2 All the delivery and spend will take place in 2016-17 and officers should ensure that they enter into a funding agreement with the National Trust confirming the GLA's contribution to the project.

6. **Planned delivery approach and next steps**

Activity	Timeline
Inception meeting with partners and their consultants	October 2016
Consultant work programme -	Nov – Dec 2016
Delivery End Date	January 2017
Evaluation and Dissemination	Jan - Feb 2017
Project Closure	March 2017 2

Appendices and supporting papers:

Appendix 1 – Funding request letter from National Trust

Appendix 2 – Project proposal from Vivid Economics

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Note: This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer
to confirm the
following (✓)

Drafting officer:

Peter Massini has drafted this report in accordance with GLA procedures and confirms that the Finance and Legal teams have commented on this proposal as required, and this decision reflects their comments.

✓

Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on 31 October 2016.

HEAD OF FINANCE AND GOVERNANCE

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature:



Date:

01.11.16