



Cotswolds AONB Natural Capital Assessment

Proposal for

Cotswolds Conservation Board

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1 Introduction

This proposal has been prepared following discussions with Martin Lane and Andrew Lord, Cotswolds Conservation Board (CCB) on 30 September 2016.

2 Background

Natural capital can be defined as the stock of natural assets which include geology, soil, air, water and all living things. It is from this natural capital that humans derive a wide range of services, often called ecosystem services, which make human life possible. The most obvious ecosystem services include the food we eat, the water we drink and the plant materials we use for fuel, building materials and medicines. There are also many less visible ecosystem services such as climate regulation and natural flood defences provided by woodland and carbon stored by permanent pasture, or the pollination of crops by insects. Even less visible are cultural ecosystem services such as the inspiration we take from wildlife and the natural environment¹.

Natural capital as a concept is gaining momentum in the UK and further afield; it links to the concept of ecosystem services which has been in the public profile since the publication of the Millenium Ecosystem Assessment in 2005. Natural capital came to prominence in the Government's 2011 White Paper 'The Natural Choice: securing the value of nature'. The White paper recognised that the value of natural capital is not fully captured in conventional prices, markets and accounts and that natural capital should be at the centre of future economic thinking. The Government then established the National Capital Committee (NCC) to advise on protecting and improving natural capital in England. The NCC is now advising on the development and implementation of the Government's 25 year Environment Plan, including embedding natural capital into decision-making and economic planning. At the same time, the Natural Capital Coalition – a global initiative – has launched the Natural Capital Protocol, a framework which supports better decisions by businesses and other organisations by incorporating natural capital into decision-making.

In recent years, organisations including government agencies and protected landscape authorities have carried out ecosystem services assessments. Increasingly, attention is now being directed at the natural assets from which those ecosystem services flow i.e. natural capital. In practice, both natural capital and ecosystem services are important if the full value of protected landscapes such as the Cotswolds AONB is to be fully recognised and protected.

CCB's intelligence and data on the Cotswolds AONB is excellent, covering a wide range of topics and issues including for example farming and forestry, the wider economy and landscape character. A broad-brush ecosystem assessment for the Cotswolds National Character Area has been produced by Natural England and the key ecosystem services are summarised in the CCB's 2013-2018 Management Plan for the AONB. The area's natural capital resources have also been scoped internally by CCB.

This proposal outlines a number of steps to develop the evidence base on the natural capital of the Cotswolds AONB, and the ecosystem services and benefits it provides.

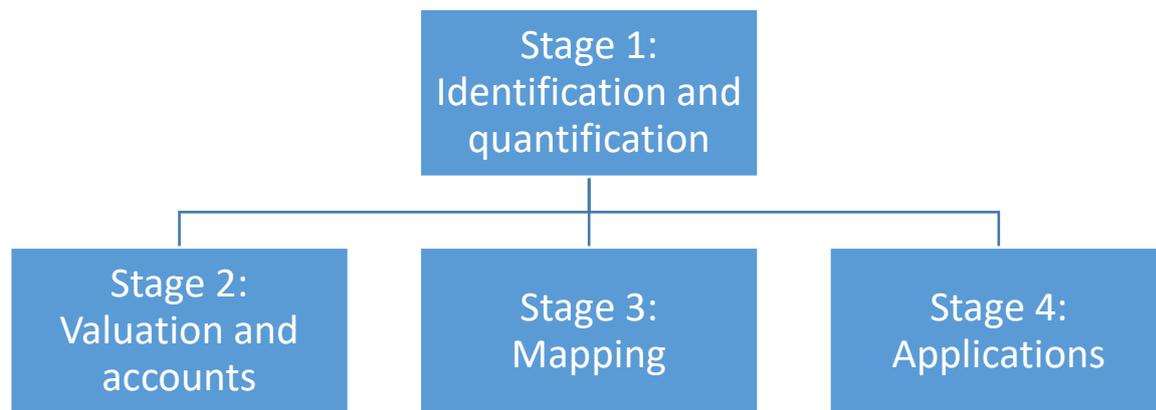
¹ Adapted from <http://naturalcapitalforum.com/about/>

3 Aim

The aim of this project is to identify and quantify (as far as possible using existing data) the Cotswolds AONB's natural capital and ecosystem services.

This is the first stage in developing the natural capital and ecosystem services evidence base. Figure 1 below outlines a number of different stages. The stages are not sequential and the choice of which elements to pursue will depend on the cost-benefit from the client's perspective.

Figure 1: Natural capital and ecosystem services – developing and applying the evidence



CCB could decide to value or monetise the natural assets and flows and/or develop a set of natural capital or ecosystem accounts (Stage 2). The NCC is presently developing guidance on natural capital accounting which should be available before Christmas and should be helpful in this regard. Natural capital accounts can be used to track changes in the asset base and inform resource management decisions.

CCB could also consider undertaking (natural capital or) ecosystem service mapping (Stage 3). This generally involves building up a number of GIS 'layers' to show spatial variations in the provision of a specific ecosystem service. These can then be analysed individually or in combination to assess opportunities, risks and priorities for action. Mapping can also help engage audiences.

Then, drawing on the evidence, there is a variety of different applications that could be considered by CCB (Stage 4). These are likely to include influencing public sector bodies and planning authorities and informing the next, partnership-based, management plan for the AONB. However applications could also include bi-lateral discussions with key organisations/businesses (e.g. Thames Water), developing market-based mechanisms linked to ecosystem service delivery, and using the evidence to inform impact assessments of significant developments or infrastructure projects.

4 Approach

The project approach is outlined below:

Task 1 – Inception (0.5d)

An inception meeting will be held with CCB. This will enable us to discuss and agree the scope of the work, the natural capital and ecosystem service framework to be used, and the different tasks involved. Existing evidence and datasets will be identified and key contacts collated. The proposed output will be discussed and project management and timescale will be agreed.

Task 2 – Collate and review readily available evidence (2.5d)

Evidence relating to key natural capital assets and ecosystem services will be gathered. This involves a systematic review of readily available documents and data (held by CCB and available online). The findings will be used to populate, in a preliminary way, a natural capital and ecosystem service framework.

Task 3 – Collate and review evidence from partners (2.5d)

Following the previous task, we will identify gaps in the evidence and approach relevant partners to secure additional data to fill the gaps. This data could be in the form of studies, spreadsheets or GIS files. Partners are likely to include Environment Agency, Natural England, Thames Water and University of Southampton (which holds CCB's GIS datasets) to name a few. The additional data will be incorporated into the framework.

Task 3 – Analysis of natural capital and ecosystem services (3.5d)

The Cotswold AONB's natural capital and ecosystem services will be systematically analysed using the framework. This will include:

- Natural capital extent, condition and spatial configuration;
- Ecosystem services quantity and quality, trends, providers and beneficiaries; and
- Opportunities for enhancing natural capital and ecosystem services, and the benefits arising.

Task 4 – Report (2d)

The analysis, the key findings and the potential implications and opportunities will be written up in a short report, together with supporting appendices. This report will provide a platform for future work, both short term and long term, including consideration of other stages of work, as outlined in Figure 1. A draft report will be produced and finalised upon receipt of comments.

The benefits of the Stage 1 report are expected to include:

- A stronger evidence base in relation to natural capital and ecosystem services
- A clearer focus in terms of which natural capital assets and ecosystem services are most important
- A platform for future activity, such as valuing specific assets or services, or developing natural capital accounts
- A baseline against which progress can be tracked
- Better buy-in from local authorities, agencies and businesses
- A meaningful contribution to the new AONB Management Plan
- A higher profile for the Cotswolds AONB and the CCB in this area of work

5 Project Team

Cumulus Consultants is a specialist rural consultancy working in the land and environment sector. Our services include policy research, technical research, economic analysis, strategy development, programme development, evaluation and land, environment and rural business advice. Our areas of expertise include agriculture, agri-food, forestry, agri-environment, natural capital and ecosystem services, rural development and sustainable economic development. We have an extensive track record of working with public, private and voluntary sector clients, including CCB. For more information, please see www.cumulus-consultants.co.uk.

The project team will include Paul Silcock and Esther Kieboom. The project team members provide expertise in natural capital and ecosystem services identification, quantification, mapping, valuation, and accounts, and applying the ecosystem approach to generate real benefits for people, businesses and governments. We are familiar with the natural environment and rural economy of the Cotswolds AONB. Brief biographies are set out below:

Paul Silcock (MA MRICS FAAV CEnv AIEMA) is Managing Director of Cumulus Consultants. He has a degree in Land Economy and is qualified as a rural practice Chartered Surveyor and Chartered Environmentalist as well as being an agricultural valuer and applied agricultural and environmental economist. Paul has 25 years' experience in agricultural, rural, environmental and economic consultancy and an in-depth knowledge of the farming and land-based sector and its linkages with the wider economy. He has special expertise in the interaction between agriculture and the environment at policy and practical levels. Paul has undertaken a range of natural capital and ecosystem services projects for clients in the UK (see list below) and has been involved in a number of farming, forestry, agri-environment and rural economy projects for CCB. Paul will lead and project manage the work and be involved with all tasks.

Esther Kieboom is an Associate of Cumulus Consultants. Esther works in the field of environmental economics and combines a unique business background with detailed knowledge of the environment. She undertakes projects relating to the linkages between the economy and natural capital, identifying socio-economic opportunities related to areas of high nature/historic/landscape value, and assessing the value of ecosystem services. Paul and Esther have worked together on a number of ecosystem services projects in recent years (see list below). Esther is a Board Member of the Cornwall and Isles of Scilly Local Nature

Partnership. She also has over 20 years of professional experience working in service industries (food, technology, health). Her qualifications include an MBA from London Business School and an FdSC in Conservation and Countryside Management from Plymouth University. Esther will support Paul in all tasks during the project.

CVs are available on request.

Examples of relevant projects undertaken by the team include the following:

- Natural capital and ecosystem services:
 - Natural Capital and Ecosystem Services Assessment (States of Jersey, ongoing)
 - Ecosystem Services Scoping Paper (States of Jersey, 2016)
 - Study to scope and develop multi-habitat ecosystem accounts for protected and other land areas (Defra & Scottish Government, with AECOM, 2015)
 - Agricultural and ecosystem service evidence report (Solstice Renewables, 2015)
 - Local Environment Economic Development (LEED) Toolkit – Phase 3 (Natural England, 2014)
 - Ecosystem services assessment for England's National Parks, part of Valuing England's National Parks (National Parks England, 2013)
 - Ecosystem services assessment for North Pennines AONB, part of High Nature Value Farming project (North Pennines AONB, 2013)
 - Ecosystem services assessment for the Great Fen, part of Socio-Economic Study of the Great Fen (Huntingdonshire District Council & Great Fen Project Partners, 2012)
 - Transferring Management Methods to Deliver Ecosystem Services (Natural England, 2010-2011)
- Cotswolds AONB / CCB:
 - Farming and forestry in the Cotswolds – current state and trends (CCB, 2015)
 - Cotswolds Choice refresh (CCB, 2014)
 - Assessment of the economic value of the Cotswolds AONB (CCB, 2012)
 - The future of farming and forestry in the Cotswolds (2009)
 - ELS & HLS Fact Sheets (CCB, 2005 & 2009)
 - Cotswolds Farming Study (2003)

6 Fees

We have costed out the work at a total of [REDACTED] excluding VAT.

Fees equate to [REDACTED]; an estimated [REDACTED] days of project time at an average of [REDACTED].

Expenses would relate to mileage costs incurred in attending meetings. Mileage would be charged at [REDACTED]. In total, expenses are expected to be in the order of [REDACTED] (three meetings).

VAT is chargeable at the standard rate.

Proposed payment terms are 40% on commencement, 40% on completion of a draft report and the remaining 20% on completion of the final report.

7 Timetable

The project period proposed is 3-4 months. Assuming an instruction by early November 2016, the project deliverables would be:

- Draft natural capital assessment by end January 2017
- Final natural capital assessment by end February 2017

8 Terms and Conditions

The project will be subject to CCB's standard terms and conditions, or where not specified, Cumulus Consultants' terms and conditions.

9 Insurance

The following insurance cover is held by Cumulus Consultants:

- Professional indemnity £2,000,000
- Public Liability £5,000,000
- Employers Liability £10,000,000

These insurances are held with Royal & Sun Alliance plc. Copies of insurance documents are available on request.

10 Quality Assurance

Cumulus Consultants Ltd is committed to providing the highest level of quality of its products and services commensurate with the requirements of its Customers as stated in mutually agreed Contracts. This project is subject to Cumulus Consultants Ltd quality management procedures.