







Greater Manchester Natural Capital Investment Plan - Workshop Summary

Thank you for participating in our 1st October Workshop to help develop a Natural Capital Investment Plan for Greater Manchester. This summary aims to capture key points for completing the investment plan.

Please note:

- It is not a complete record of all discussions.
- It focusses on investment issues rather than wider environmental management priorities.
- Your comments or corrections on the key points below, and notes of the investment case discussions you were involved in, are requested by 16th October

Summary of Investment Issues from Group Discussions

Delegates were assigned to groups around each of the six draft investment priorities and asked to expand on the investment case for each. Key points are summarised here, more detailed notes are in the Tables that follow on each investment priority.

Case	Key Issues	
Peat	Extensive local resource and connections to Greater Manchester (GM).	
	Boundary issues – peatlands extend beyond GM.	
	High profile issue following fires, is this just upland peat or wider upland issues?	
	Link to Mayoral low-carbon leadership of business.	
Catchment	Catchment coordination capacity necessary for spatial planning of catchments to achieve synergies.	
	Demand and supply for services exists, but there is a need for a process to bring them together.	
	Potential to combine existing (e.g. EA, UU, Agri-env) and new (e.g. offsets, SuDS charges reductions) funding sources.	
	Lack of joined up approach and targeted investment.	
	Needs new collaborations/ networks.	
	Not yet commercially viable.	

Bank	'Oven-ready' model, approved in principle by GMCA.
	City region is suitable scale.
	Sufficient built development with unavoidable biodiversity damage to support market.
	Potential conflict between City vs Local (District/ Ward) priorities in terms of location for compensation.
	Political risks may be the largest source of risk against achieving returns by banking credits for sale in future $(5 - 10 \text{ years})$.
Place	Link GI (& blue) to master planning of big projects – work with main developers.
	Possible revenue model from service charges to occupiers.
	Suitable models exist elsewhere, but awareness of them is relatively low.
	Needs policy and political leadership.
SuDS	Proven impact.
	Benefits to infrastructure, developers and employers – all of whom can pay.
	Can implement by enforcing existing system, but current enforcement low.
	Opportunity to use existing surface water charging model as basis for cost-savings. Will be stronger tool if extended to 15 years.
	Scepticism/risks over solution (not seen as tried and tested).
	Financing options – link to place-based local GI models (e.g. bond?)
Synergies	Habitat package: Links between Carbon, Peatland, Woodland and Banking.
	GI Package: Place, SuDS and sustainable transport (e.g. cycle network also providing SuDS: Bee-line initiative). NB: SuDS also links into rural/ habitats.
	Potential conflicts and problems stacking/bundling benefits within these packages, does there need to be a strategy to encourage one market mechanism to take the lead?
Outputs	There is a strong knowledge base in the environment sector in Manchester and plenty of synergies/ opportunities are identified.
	The majority of information is still not being presented in an investor- facing manner.
	This can be addressed by technical support, both directly into developing business plans, and into training of individuals in the sector.
	These issues will be included in the Investment Plan Roadmap.

Outline Business Case for Natural Capital Investment The purpose of the business case is to gather evidence to persuade prospective investors and stakeholders on the opportunity of investing.			
Name and description		 Partners to develop case Trusted partners e.g. National Trust 	
		Political alignment	
Strategic Positioning Is the proposed opportunity supported by a case for change that fits public sector or business needs? Yes – Public Sector	Economic Considerations Considering both financial and non-financial returns, will society be better off? Note the distribution of impacts - who faces costs and who receives benefits? • How trusts are structured? • How are funds distributed? • Public – Experience of parks enhanced	Commercial Viability Based on expected financial returns, is the proposed solution commercially viable? If not, what type of support from the public sector will be required? Yes but needs to be high profile	
	 Councils - In form of reduced/ displaced budgets Financial Considerations How can the opportunity be funded? What finance mechanism(s) will be used? Section 106 contributions Rents SUDS rebates Community Enterprise - profit sharing Prudential borrowing for endowments Management Considerations Is the proposal achievable and can it be delivered successfully? What are the key risks and how can contingency planning reduce them? Public perception Communicating benefits KPIs and performance monitoring How to increase use and footfall of parks 		

Outline Business Case for National The purpose of the business case is to gather	ural Capital Investment evidence to persuade prospective investors and stakeholders on th	e opportunity of investing.
Name and description PEATLAND		Partners to develop case GM wetlands, UU, Manchester Airport, Lancs Wildlife Trust
 Strategic Positioning Is the proposed opportunity supported by a case for change that fits public sector or business needs? Zero carbon target 2038 25 YEP (Net Gain) GM Spatial Framework Wildlife priority habitats WFD + Quantity – Supply, FRM UU- Water Quality Management of designated areas – land management Bog and Peat solutions Species management Recreation Fire prevention – Air Quality, GHG emissions, Fire Service costs avoided Climate change + resilience Grouse (not a big driver in GM?) GM resilience Strategy 	Economic Considerations Considering both financial and non-financial returns, will society be better off? Note the distribution of impacts - who faces costs and who receives benefits? • Global for GHG - Offset investment - e.g. Airlines • Local population - Air Quality, fire, flood prevention • Insurance Companies - properties at risk - accurate risk models • 'Good feel' to investment • Linkage between business and NGOs benefits business • Peat IS local - local reputation and asset Financial Considerations How can the opportunity be funded? What finance mechanism(s) will be used? • Site based - local interest - build a bog - local pride • Voluntary carbon offset • Moss farming (extent?) • Bog bond (an idea) • Water company investment • Developer funding • Land bank • HLF £2/ 5 yrs - match funding for Carbon landscape Management Considerations Is the pronosal achievable and can it be delivered successfully?	Commercial Viability Based on expected financial returns, is the proposed solution commercially viable? If not, what type of support from the public sector will be required? Bogtastic van – Peat is a local gem Marketing to improve attractiveness Local asset Fit with nature Heritage (emphasise moors as local heritage) Emblematic species, e.g. Manchester Argus – on Chat Moss, work to re-establish species there Mandatory Net Gain – a key to improving viability & funding
	 Is the proposal achievable and can it be delivered successfully? What are the key risks and how can contingency planning reduce them? Land boundaries (Outside GM) – How to manage? Evidence on carbon – use Peatland code but needs development to 'catch up' with woodland for GHG benefits 	

Outline Business Case for Natural Capital Investment The purpose of the business case is to gather evidence to persuade prospective investors and stakeholders on the opportunity of investing.			
Name and description CATCHMENT		Partners to develop case	
Strategic Positioning Is the proposed opportunity supported by a case for change that fits public sector or business needs? • What is business case, does it work? Cost avaidance through officiency	Economic Considerations Considering both financial and non-financial returns, will society be better off? Note the distribution of impacts - who faces costs and who receives benefits? Yes - long term	Commercial Viability Based on expected financial returns, is the proposed solution commercially viable? If not, what type of support from the public sector will be required?	
 Broad understanding of common objectives Supported if catchment viewed as spatial unit Support for most efficient use of funding within a catchment to achieve best possible outcomes and outputs Supported by need – for environmental improvement. For benefit of public i.e. health and wellbeing and business i.e. increased value Lack of joined up approach and targeted investment Lots of benefits and services derived from catchments but business' that could invest 	 Investments (costs) – landowner, developer contributions, water companies, Environment Agency Benefits – Public, NHS, water companies, business, tourism Financial Considerations How can the opportunity be funded? What finance mechanism(s) will be used?: Borrowing (investment for future generations. Investment now for long term benefit) Existing – Water companies, EA, Local A, Agri Environment, Lottery funding, Developer contribution (106) New – Look for new mechanisms, offset funding, green 	 YES! But not yet (future) Build investment case to prove viability Probably funding but not coordinated or targeted Investment mix to be delivered Possible phase 3 of Natural Course. resource to develop NB: viability requires coordination of funding: A lot of the funding sources (see 	
 don't always understand these and how they benefit Challenge to bring demand and supply together. LENs (Landscape Enterprise Networks) – helps to understand demand Supply models have been outlined through things like National Infrastructure Schemes Brokerage can help bring the two sides together - companies exist to do this but there are also now online platforms such as ENTrade which can also perform this function 	 pension fund, premium code, Tax/ tariffs, , agri environment funding and CAP replacement Management Considerations Is the proposal achievable and can it be delivered successfully? What are the key risks and how can contingency planning reduce them? Investor own a joint company to deliver Supply accreditations Accountability Short term thinking (Long term) 	 financial considerations) are very similar but we need to change how they are used to understand the full value and return on investment that is generated and so leverage additional investment Shared interest investment refers to utilising tools such as LENS to understand what stakeholders need out of the environment and where those needs can be met through similar solutions this therefore creates a shared interest in investing in those solutions 	

Outline Business Case for Nature The purpose of the business case is to gather	ural Capital Investment evidence to persuade prospective investors and st	akeholders on the opportu	nity of investing.
Name and description BANK		Partners to develop of Landowners, major initiativ districts (planners and poli	CASE ves e.g. Northern Powerhouse, GMCA and ticians) GMEU, Defra and Pioneer
 Strategic Positioning Is the proposed opportunity supported by a case for change that fits public sector or business needs? Strategic positioning from pioneer Biodiversity offsetting has been approved in principle by GMCA. Work on guidance to developers and planning authorities is underway. Land from which credits are banked to be strategically assessed Overall scale of scheme at the conurbation level, for GM, is a first Investments qualify for socially responsible investment market, and this can be enhanced further through socio-economic synergies, such as with provision of green space for communities. 	 Economic Considerations Considering both financial and non-financial reture off? Note the distribution of impacts - who faces of benefits? Political risk - consistency/ longevity of the needs to guarantee the system will be main investment payback period Failure of Govt to comprehensively legisles investment would be an early entrant to a service of the proposal achievable and can it be delivered to fund regulatory & oversight capate - Existing mapping of ecological opportunity Management Considerations Is the proposal achievable and can it be delivered the key risks and how can contingency planning results of planners Technical expertise is need on the financial suitable contracts (e.g. for a offset in the between a developer and offset provider of the set of the balance efficiency of a city region of the set of the s	rns, will society be better tosts and who receives the policy commitment- aintained over the ate to date – a current this market e mechanism(s) will be the first enhancements, e system established? acity from the outset ities can be used successfully? What are reduce them? racts ial side and to draft planning system, /bank) ncy of where the benefits gion market with local lose benefits from the development	Commercial Viability Based on expected financial returns, is the proposed solution commercially viable? If not, what type of support from the public sector will be required? • Embryonic carbon offsetting on peatlands in GM • Awareness with developers • 'Oven ready' for delivery • Development pressure • Investor 'rents' land for its outputs • Modest return on investment • Needs certainty • Regulatory stick and/or investment proposal (low risk, ethical, modest return)

Outline Business Case for Natural The purpose of the business case is to gather evide	Capital Investment nce to persuade prospective investors and stakeholders on the	opportunity of investing.
Name and description WOODLAND		 Partners to develop case Woodland Trust City of Trees Forestry Commission
 Strategic Positioning Is the proposed opportunity supported by a case for change that fits public sector or business needs? Within 25 Year EP Right locations for amenity, proximity, placemaking Climate Change adaptation policy Water Regulation Flood mitigation Temperature regulation Water Framework Directive Urban health benefits from air quality, physical activity in accessible woodlands Employment/Green jobs benefits, linked to local sourcing – e.g. of timber/ energy GM Mayor policy priorities on carbon reduction 	 Economic Considerations Considering both financial and non-financial returns, will society be better off? Note the distribution of impacts - who faces costs and who receives benefits? Developers, Local businesses & Communities cooperation needed Speed of getting to scale can be enhanced Investment to counter climate change – benefit is avoided costs Financial Considerations How can the opportunity be funded? What finance mechanism(s) will be used? Develop links between: S106 – planning net gain Grant structures/ new rural devt scheme (CAP replacement) Service charges for maintaining trees Urban areas: link to business improvement districts Management Considerations Is the proposal achievable and can it be delivered successfully? What are the key risks and how can contingency planning reduce them? Factors that determine future investment/ viability Scale and focus of activity Liability/ Long term management Forest investment zones can be defined 	Commercial Viability Based on expected financial returns, is the proposed solution commercially viable? If not, what type of support from the public sector will be required? • Spatial unevenness • Financial/ technical issues • Regulatory support, wider policy support through Northern Forest • Timber – return period is long

Outline Business Case for The purpose of the business case	or Natural Capital Investment e is to gather evidence to persuade prospect	ive investors and stakeholders on the o	pportunity of investing.
Name and description SUDS		Partners to develop case GMCA, developers, Grow Green, planne community, fire service, MCC, Highways	ers, United Utilities, Pioneer, Priorities in the s, SUDs for schools
Strategic Positioning Is the proposed opportunity supported by a case for change that fits public sector or business needs? SUDS not viewed as a tried and tested solution Council's promotion of SUDS – change in priorities: SUDS proven impact but not willing to take the risk Fear of SUDS as a solution Lack of understanding about the opportunity Cycle network using SUDS – through the Beelines Skills 	 Economic Considerations Considering both financial and non-financial returns distribution of impacts - who faces costs and who reform blended finance from multiple beneficiations UU have varied benefits - carbon, flood prequality Gina's best model - values multiple benefit Financial Considerations How can the opportunity be funded? What finance metalentifying who will value the benefits: United utilities where they see the direct b Clinical commissioning groups funding heat infrastructure investment plans (however Non domestic customers - raise awareness savings Businesses - driven to improve health and Developers - benefit from increased house Highways agency - reduced costs from floor Manchester Management Considerations Is the proposal achievable and can it be delivered succan contingency planning reduce them? Maintenance considerations - risk of ongoin major issue as simple management is part of UU have looked into site viability RAG ratim Disconnect between water retailers who micharging mechanism Health and safety risk - risk averse Considerations around managing funds - g 	, will society be better off? Note the ceives benefits? ced risk, health and wellbeing – opportunity rries vention (surface water management), air s from SUDs eechanism(s) will be used? enefit th and wellbeing outcomes as part of green red tape around commissioning procedures) of the financial case and direct finance wellbeing of employees prices ding on roads if SUDs implemented across UDs is incorporated ccessfully? What are the key risks and how ng maintenance costs – for schools, not a of caretaking g opportunity anage customers and UU who implement overnance issue	 Commercial Viability Based on expected financial returns, is the proposed solution commercially viable? If not, what type of support from the public sector will be required? Upfront cost of assessment of viability Disconnection of surfaces to move down a charging band – direct financial saving Minimum £10k to disconnect a surface area – who will cover the upfront cost Support through the planning process – SUDs built into planning but it's easy to bypass. Need to increase awareness of SUD with stronger encouragement from local authorities. Requires a commitment from UU to the drainage connection charging band mechanism over a 15 year commitment in place Financial model is available – enforcement needs to be stronger Making sure SUDS are enforced in all new developments Funding at city scale – requiring governance

Pipeline: future opportunities & actions:

Delegates were asked to suggest future investment opportunities, in terms of projects, ways to progress the identified priorities, or other investment options not included in the priorities presented:

- Employer volunteering market for health of employees: do this locally around business locations (e.g. pocket park features).
- Climate change resilience around place: linking together case on drought, flood, heat.
- Structural/ viability surveys to assess green roofs potential. Benefits: SuDS delivery, Energy & GHG savings, urban cooling.
- Developer charges to fund park creation/maintenance.
- Planning system could require one of these.
- Woodland biomass energy market?
- Carbon offsetting (following first Heathrow purchase). Potential annual purchases from local carrier (operating from Manchester Airport). There are both and airport and extensive peatlands inside GM boundary!
- Concept of "care farming" could utilise public parks and green spaces to build a revenue model whereby parks could generate an income and the NHS and other public services could generate savings through the commissioning of health activities and outcomes through a social prescribing model.
- Investment opportunity: care farms. Jamie's farms are looking to expand care farms (targeting school children at risk of exclusion). https://jamiesfarm.org.uk/ apparently looking for sites in NW.
- Social prescribing: pay for activities in green space to alleviate mental health pressures, saving future NHS/ workforce costs.
- GI/woodland/other investments how to target to areas of social need: use ANGSt standards, deprivation indicators?
- Broadening of net gain principles to all GI. Implement with developers through masterplanning process.
- Geographical zones/boundaries: Cheshire-GM corridor = an area with wetlands and future economic growth zone. Opportunity for habitat banking/ carbon credits/ SuDs etc. Policy framework in place, but needs LA coordination in the planning system.

Next Steps:

Following comments on this workshop note, it will be used as an input for finalising the natural capital investment plan. This is due to be submitted to the GM Environment Unit at the end of October, and reviewed and published by the combined authority before the end of 2018.

Annex 1: Workshop Agenda











Greater Manchester Natural Capital Investment Plan

Stakeholder workshop

1pm – 5pm, 1st October 2018 The White Room, Greater Manchester Chamber of Commerce Elliot House, 151 Deansgate, Manchester, M3 3WD. https://chamberspace.co.uk/contact/

Time	Activity
1:00	Registration
1:15	Welcome
	Jonathan Porter, Countryscape (chair)
1:20	Background and vision of the plan
	Mark Atherton, Greater Manchester Combined Authority
1:30	Project overview
	lan Dickie, eftec
1:40	Investment options
	Alicia Gibson, Environmental Finance
1:50	Questions and discussion
2:00	Practical exercise – Developing an investment case
2:45	Refreshments
3:05	Investment pitches
3:40	Practical exercise – Developing the pipeline of projects
4:00	Discussion
4:20	Next steps
	Krista Patrick
4:30	Networking
5:00	Close