



Cornwall

Area of Outstanding Natural Beauty (AONB)

Natural Capital Assessment

Executive Summary

January 2016

Oliver Hölzinger¹ and Pat Laughlin²

¹ Consultancy for Environmental Economics & Policy (CEEP)
oliver.h@ceep-online.co.uk

² UK Business Council for Sustainable Development (UK BCSD)
Patl@ebc-info.co.uk

Citation:

Hölzinger, O. and Laughlin, P. 2016: *Cornwall Area of Outstanding Natural Beauty (AONB) Natural Capital Assessment*, The Cornwall AONB Unit, Truro

Executive Summary

This Natural Capital Assessment was created to establish a shared understanding and vision for Natural Capital management in the Cornwall AONB for the benefit of businesses, people and wildlife alike.

The assessment has revealed that Natural Capital assets within the Cornwall AONB are of particular importance to the local economy because many sectors including the thriving tourism industry are heavily dependent on healthy and functioning Natural Capital assets which provide us with a sustainable flow of ecosystem services such as aesthetic values, recreational opportunities, food provision, biodiversity, health benefits as well as the regulation of flooding events, air quality and climate; and many more.

A trial economic case study for the Godrevy to Portreath section of the AONB has been undertaken, resulting in a value of just under £21 million (£13.5m carbon stock + £7.5m capitalised ecosystem services flow value). This shows just how important Natural Capital is for people's wellbeing. And this is very much a baseline value because only few ecosystem services provided by few Natural Capital assets (covering only 20% of the Godrevy to Portreath section) were quantified. The real value of Natural Capital in the section is probably magnitudes higher.

A Natural Capital asset and service flow analysis indicates that there may have been some improvement to Natural Capital in the AONB between 1995 and 2005. This includes for example afforestation and some wetland creation which add value in terms of biodiversity, recreation, flood risk regulation etc. However, it should be stressed that the scope of the assessment was limited for example because of a lack of information on the condition and quality of Natural Capital. Furthermore, it should be acknowledged that much data was only available at a Cornwall-wide rather than a CAONB level. There are for example indications for continuing species loss across Cornwall but we could not assess if this also applied to the specific context of the AONB. Also, this was an assessment of the past (mainly till 2005) and not the current state.

Drivers of change such as residential development, the negative effects of climate change and economic growth put significant additional pressure on Natural Capital assets in the Cornwall AONB. At the same time the demand for the ecosystem services such as flood control provided by these assets increases because of increased visitor and resident numbers. Increased numbers of people also require additional greenspace for recreation and relaxation to avoid overcrowding and related harm to biodiversity.

Considering uncertainties about the retention of environmental legislation and the replacement of existing funding mechanisms which support investment in Natural Capital and environmental protection due to Brexit means that additional effort by all stakeholders, including the business community, is required to better protect and enhance Natural Capital in the Cornwall AONB. Otherwise Natural Capital degradation could threaten the 'outstanding natural beauty' of the area which could have significant impacts on key sectors of the local economy, people's wellbeing and health, and biodiversity; within and beyond the AONB.

The balance of increasing or sustaining economic growth and the requirements for social change, i.e. the requirement for additional housing across Cornwall, when coupled with the effects of climate change, present an ever-growing challenge requiring sustained and growing financial investment in people to manage the AONB and resources which help protect and enhance the natural environment while providing for prosperity, good health and a high quality of life. The management of such change requires a high level of engagement and involvement from the business community.

Business Engagement

It was established at the first Steering Group meeting that there is a relatively low awareness within the Cornish business community of the level of key sector dependency on natural capital and ecosystems services; of the impacts being created by business success and continued economic growth; and the accompanying and additional pressures of the required development to sustain this.

A number of Steering Group members were engaged in awareness raising initiatives but these were relatively small-scale and there was a recognised need for a structured programme of business engagement.

Experience in Cornwall (and elsewhere) has shown that any engagement and awareness raising programme for the tourism, agriculture, food and fisheries sectors must be delivered in a timescale which avoids the 'peak seasons' which in some businesses can be applied across the calendar year. This can be challenging for the deliverers. A further challenge is ensuring that the target businesses have sufficient resource to allow them to engage with a programme and that, in turn, it is accessible for them and truly relevant. Participation and engagement may therefore require some low level incentivisation.

It was also recognised that many existing initiatives rely too heavily on an academic approach. Using practitioner based language makes information presented to the relevant business communities much more accessible.

Gaining strong business support and engagement around Natural Capital is dependent on a high level of awareness of the role and importance of Natural Capital and ecosystems services in sustaining business stability and growth, and an understanding of the ways in which simple behavioural change and relatively low level investment could sustain and enhance the environment.

Activity undertaken as part of this project was therefore focused on determining the most appropriate way of achieving improved business engagement and in reviewing the available tools and support systems and in testing methodologies which could support this.

Evidence Base

Initially information about awareness raising initiatives, target groups and their issues and concerns were provided by members of the Steering Group. To test the existing findings and beliefs a dedicated business workshop was held and took the form of a plenary session for dissemination and a workshop session to review and test some business dependency and impact assessment methodologies. While there was a reasonable level of interest in the event many businesses were unable to attend on the day because of business priorities or resourcing issues.

The session focused on an assessment methodology produced by the Natural Capital Coalition and reported in the Natural Capital Protocol and tools identified by World Business Council for Sustainable Development (WBCSD) in its 'NI4Biz' programme. It should be noted that at the time of the workshop both methods were still in development.

The workshop identified the difficulty that the wider business community in target sectors could experience in using the assessment methods without direct support to set the context for the assessment and in demonstrating relevance. As a result, a simple business survey tool was established with the objective that the data gathered could be analysed and the results presented as a dependency and impact road map for an individual business. This survey is active and has been disseminated with assistance from Cornwall Council and members of the Steering Group. Outputs from the workshop are also being used to consider refinements to the tools to make them more applicable to the SME community.

The business workshop also considered the importance and use of natural infrastructure as an accepted part of any new development, the benefit of relatively small-scale investment, and the potential value that could be attributed to a business making such investment.

In making recommendations from this project we stress the importance of structured, simplified and accessible awareness raising programmes clearly identifying the relevance to businesses in the target sectors; the use of low cost incentives to promote interest; and the importance of geographical connections are promoted as components of a successful business engagement programme.

Based on the findings of this project the research team proposes to supplement the vision for the Cornwall AONB as stated in the Management Plan 2016 as follows:

By 2026 Natural Capital in the Cornwall AONB is systematically monitored and managed not just to protect but enhance its value in terms of ecosystem services to businesses, people and wildlife alike. Sustainable investment plans and mechanisms are implemented to create bigger, better and more joined up Natural Capital assets making the AONB resilient to the effects of climate change. Everyone, including businesses and tourists, should be aware of their

impacts and dependencies on Natural Capital and re-invest in this valuable asset to secure it for their own benefit as well as for future generations.

To help in implementing this vision a range of tools designed to support Natural Capital management and mechanisms for private investment in such assets were introduced in Section 6 of the report:

- Ni4Biz
- Corporate Ecosystem Valuation (CEV)
- Natural Capital Planning Tool (NCPT)
- Monetary Ecosystem Assessment
- Natural Capital Accounting
- Cost Benefit Analysis (CBA) & Multi-Criteria Decision Analysis (MCDA)
- Payments for Ecosystem Services (PES) & Visitor Payback
- Carbon Offsetting & Trading
- Biodiversity Offsetting

Furthermore, the research team has made a range of recommendations – an all-partner action plan - towards achieving the goals as set out in the vision.

Positive Planning for Natural Capital:

- The implementation of advanced monitoring and management practices at the project level focussing on specific local issues. A starting point could be a NI4Biz or CEV case study for a specific sector or company.
- Trailing the use of the Natural Capital Planning Tool (NCPT) at a key new development site or plan.

Widening Business Engagement:

- The establishment of closer linkages with Cornwall Sustainability Awards (CSA) for recognition of Natural Capital investments or improved resource efficiency.
- The introduction of a Cornwall Council Business Charter with specific challenges relating to the protection and enhancement of Natural Capital, the requirement for an environmental dependencies assessment and recognised as part of a sustainable procurement process.
- The introduction of a special award/ merit system aimed at improving business competitiveness such as a High Value Environmental Quality Mark linked to improving

business performance and competitiveness with investment standards and to a brand promotion for Cornwall products.

- The introduction of a Climate Change Adaptation and Resilience programme and Business Charter for the CAONB.
- Consider the formation of geographically focused business groups linked to the AONB to determine local needs and set out a strategy and action plan for the protection and enhancement of Natural Capital.

Investment Funding

- The creation of a Cornwall AONB Natural Capital investment plan based on created opportunity maps.
- The exploration of opportunities for a Visitor Payback scheme in partnership with the tourism industry.
- The exploration of opportunities for carbon offsetting and trading.
- The exploration of opportunities and acceptance for biodiversity offsetting.

Data & Monitoring:

- The review of AONB monitoring indicators with respect to ecosystem services.
- The creation of a full economic assessment of Natural Capital and ecosystem services value based on an extension of the Godrevy to Portreath case study.
- The usage of existing ecological records to assess if Cornwall-wide trends of species loss also apply to the AONB subset.
- The implementation of an AONB aggregation level for relevant economic data and e.g. visitor statistics.
- The establishment of links with partners to collect and generate fit-for-purpose data such as the condition and quality of Natural Capital assets and records for the marine environment.
- The update of this Natural Capital Assessment based on updated data in the future.

More detail about the recommendations including potential partners and anticipated timescales are outlined in Section 7.2 and 7.3 of the Main Report.