

**Natural Cambridgeshire Investment
Programme for workshop on Tuesday 6 October 2020**

A workshop to explore how to promote investment in protecting and enhancing Cambridgeshire's natural environment so as to support a healthy population and economy and fulfill the Doubling Nature Vision

1030 Introduction and welcome – Adrian Cannard (Cambridgeshire & Peterborough Combined Authority)

1045 The Doubling Nature Ambition – Richard Astle (Natural Cambridgeshire)

1100 What are the particular issues for farmers and landowners? – Martin Lines (Nature Friendly Farming Network)

1115 Why to invest? – Matthew Bullock (Cambridge Ahead)

1130 Breakout groups

- What drivers are there for businesses and landowners to spend money on the natural environment?
- How would you wish to ensure that the money is well spent?

1215 Report back and conclusions – chaired by Adrian Cannard

1230 End

Details for joining by zoom are overleaf



Summaries of the talks

Adrian Cannard (Cambridgeshire & Peterborough Combined Authority)

Introduction

- There are two logos on our programme for today. Natural Cambridgeshire brings together a wide range of organisations to promote our natural environment. The Cambridgeshire and Peterborough Combined Authority works under our elected Mayor to deliver investment into the County and it has also signed up to the Doubling Nature vision.
- We face challenges both globally and nationally from the state of our nature, and climate change.
- Cambridgeshire is renowned for the quality of its agricultural land. It also has some amazingly rich wildlife areas, but fewer than elsewhere in the country.
- People's thinking about nature is changing. They want to think about the environmental consequences of how they live their lives and they want to know where their food comes from. Businesses are more concerned with their corporate responsibility, and those who manage land consider pollinators and biodiversity.
- The biodiversity net gain requirement produces new opportunities, both as part of new developments and stand-alone.
- We have looked at what others are doing. They do not offer a standard scheme we can follow, but suggest opportunities to bring people together and produce multiple benefits – biodiversity, flood risk management, agricultural income. We are looking at creating a large investment fund to pull everything together.
- But we need to discover local views, to consider what makes sense in the Cambridgeshire context, which is why we are here today.

Richard Astle (Natural Cambridgeshire)

The Doubling Nature Ambition

- Nature matters – fundamentally, existentially. If nature is dying around us, then we lose out and our wellbeing is at extreme risk – not only because of the extreme impacts on our economy, on our society and our health, on air and water quality. We also lose much beauty and we lose great joy.
- It is happening here in Cambridgeshire and Peterborough, where once common species of wildlife are disappearing – hares, hedgehogs, butterflies and bees – all in steep decline. Just think what is going to happen when we lose our ash trees – picture your landscapes without them. Or when we lose our last turtle doves, that quintessential sound of the summer, or can no longer hear nightingales.
- So, we have to act, and we have to act right now. Why don't we talk about the nature we will restore, the wonderful landscapes that can be created/recreated, the vastly improved health and well-being of our people. Why don't we aspire to have the fastest rate of nature recovery in the country?

- Natural Cambridgeshire has launched some key initiatives that we believe can actively take forward the Doubling Nature ambition.
 - **A landscape-led approach**, that will put Peterborough and Cambridgeshire firmly on the map of nature recovery as nature thrives across the county. Natural Cambridgeshire has identified five key landscapes with the potential to deliver significant benefits for nature and enhanced access to green open space for residents.
 - **A community approach** – a toolkit of small steps that each community can make to double nature close to home. This really is about the practical delivery of nature recovery at the community level – for example, if every parish in the county planted ten trees a year for ten years that would be nearly 30,000 trees!
 - **A doubling nature pledge** through which individuals, businesses and other organisations can play their part in the ambition, whether it is planting more pollinating plants in gardens or greening up work-place car parks, there is something that everyone can do.
- Natural Cambridgeshire will also be announcing ideas for a Doubling Nature Investment Fund, to provide the resources to make all this happen.

Martin Lines (Nature Friendly Farming Network)

What are the particular issues for farmers and landowners?

- Farmers manage the majority of the Cambridgeshire landscape. They cannot do it alone, they need infrastructure and investment. And they must pay regard to long-term returns, which include increasing the value of poor land by improving habitats and pollinators, increasing tree planting, and water capture.
- This needs a long-term plan, for nature across the whole landscape. Farmers should be encouraged to cooperate in clusters.
- They already do a lot: there must be an assessment of what there already is. Improvements need monitoring every 5 to 10 years.
- Benefiting nature and carbon capture go together. There needs to be flexibility to handle changes in business, with a good understanding of different possible income streams: crops, habitats, carbon, water.
- In the recent past the focus has been on food production leading, for example, to the removal of hedgerows. And the importance of public access has been highlighted by the pandemic. This increases risks which must be mitigated, for example by buffering crop production with flower-rich areas.
- ELMS will be important but it will not be enough, and we cannot wait for it to come in.
- There needs to be training and advice – where do we need additional ponds, ditches, trees, flowers?
- Local food processing and use should be supported. People must be able to see the benefits of good practice. They can be encouraged to buy from nature-friendly sources, given good information. And they can give help, for example by sponsoring nest boxes.
- Planting fruit and nut trees should be considered.
- Red meat is not necessarily bad, if it is well managed. Livestock improve soil.

Matthew Bullock (Cambridge Ahead)

Why to invest?

This reports work with the Wildlife Trust, Cambridge Past, Present & Future and the young advisory group of Cambridge Ahead. The focus is not on why to invest in nature but on examples of nature enterprises where they have managed to create a sustainable financial surplus while providing enhanced habitat for nature. It excludes discussion of biodiversity net gain, as that is capital funding and does not create an operating surplus.

Three areas were considered:

- 1) Nature-friendly farming. This is key to doubling nature, because of its large land area. BREXIT and the end of CAP are leading to a change from output per hectare to margin per hectare. Comparison of nature-friendly farms in the Cambridge area with conventional farms finds that the average return was almost the same, but much better on winter wheat and spring barley. And the biodiversity is strikingly better, with soil gain (which is increasingly important to long-term investors). So it is a robust and commercially-feasible approach, at least along wildlife corridors if not on the whole of a farm.
- 2) Woodland planting. In Scotland returns are found to be very good on a 25-year cycle, but for broad leaf trees appropriate for England the cycle is 60 years and the returns are less good. So it is useful only for marginal land and only for deep pocketed investors who can fund losses until the wood starts to mature. Carbon offset will probably not support a case for new woodland, as after an initial 5 years the return is market-dependent.
- 3) Visitor-driven nature parks. Nature parks have traditionally been treated as large loss making nature reserves supported by membership dues and grants. But the National Trust and the Cambridge University Botanic Garden have a different model, with income from admission, food and beverage, parking and add-ons such as river trips. This needs facilities: visitor centres, cafes and toilets. Visitor numbers have shown 7% compound growth over 15 years, with further increase caused by Covid, and are in danger of becoming too large. But with the right facilities, most of these parks are capable of operating in modest surplus on an ongoing revenue basis without recourse to grants or other capital funding, particularly if use is made of volunteer staff.

The conclusion is that there are tentative signs that it is possible to earn an ongoing surplus from certain investments in natural habitats. These are not necessarily available to outside investors, but the indication is that supporting nature does not always have to be supporting a loss making activity.

Some key points from the breakout groups

Group 1

- Benefits are not just financial: people like to live and work in areas in a high quality natural environment and it helps their physical and mental health (so also reducing the burden on the NHS).
- There needs to be nature near to work places, including those in urban locations.
- A case needs to be made for the Cambridge area to be a priority for a global organisation to invest in the natural environment. Large organisations will often use brokers to identify suitable projects. It is easier to encourage and support staff to volunteer on local projects.
- Climate change is high on organisations' agendas; environmental projects that might contribute would need some form of accreditation.
- There is a need to audit where investment in biodiversity is needed and to measure and record the benefits. Successful projects should be publicised locally to demonstrate success and build trust.
- Natural Cambridgeshire should develop high-quality projects and then consider using an intermediary to approach local companies for funding. Innovative projects will be more attractive to potential philanthropists. There is scope to develop partnerships amongst developers, businesses and conservation organisations and for blended finance drawing on both private and public funding.
- Farmers and landowners should be helped to understand the risks of not maintaining a high-quality natural environment.
- There is a need to understand how to maximise the benefits from biodiversity net gain.

Group 2

- In the short term, destruction of nature produces more gain than does enhancement, so incentives to invest are needed, such as tax credits. Measurable targets are essential.
- Some will invest to get direct benefit, others for kudos. Peer pressure can be an important driver. Many will want to feel that they are not solitary but contributing to a deluge of investment. Accreditation will be important, for example from the British Retail Consortium.
- The Biodiversity Net Gain requirement is a good opportunity, but it must be strategic. Good green spaces will increase land values and enhance the prices of houses, but the risk is that less enthusiastic developers will just make token small-scale improvements.

- They need support with clear advice, and a strategy for the best investment locations. There is a risk that investment will attract people to new parts of the priority landscape areas, to their detriment: access to nature should be improved near to where people live.
- In-perpetuity stewardship is essential; it must have a simple framework and be monitored. Most developments will need good long-term water management.
- There should be disincentives to doing harm, such as polluter pays.
- A range of ecosystem services can attract different investors. For example, tree planting can improve soil permeability, helping both with flood risk management (so reducing insurance premiums) and maintaining the aquifer to give better water availability. And the NHS should be encouraged to divert some of its funding because nature benefits health.
- Those already known to be philanthropic should be encouraged to invest more, including small investors. There is need to identify what projects will interest different investors, and often innovative projects will have most appeal. Crowd funding should be explored for local projects, including those in towns.
- There should be engagement with the universities to encourage using their research funding to improve nature, and the tenants of farms owned by the colleges (and by the County Council) should be targeted.

Group 3

- We cannot wait for ELMS, so must identify other sources of funding and tap into them all: biodiversity net gain; other government funds; government-funded major infrastructure and investment such as the OxCam Arc; private sector funding; carbon offsetting; funding related to planning.
- Even wildlife-friendly farmers could do more for nature if all the different ways to invest were clear to them and brought together in one, easily accessible place, with one simple investment system,
- Evidence is needed of any biodiversity enhancements. They must be measured and possible trading methods identified, focused on habitat delivery.
- A local approach is important, to identify the natural capital of the area and then target investment opportunities. A crucial role is seen for Natural Cambridgeshire as a hub for various private investment streams and for collating evidence, setting priorities for landscape and environmental enhancement .
- Farmers must receive value from delivery of additional benefits, such as organically farmed produce and flood prevention mechanisms. They should look at the natural capital on their land and push new options for investment. They may need support for this, and help with capacity building.
- Many environmental investments have payback only in the long term. Risks need managing.
- There is a need to understand *why* they want to invest: to make a return, because they need to offset carbon, to discharge corporate responsibility, or maybe for environmental benefits for their own sake.

- Discussion with potential investors is an iterative process: they may not know what they want and may need examples of ready-to-go projects.
- Partnership working is important, and sharing best practice, knowledge and bought-in expertise. It is important to organise this as part of an investment plan.

Group 4

- Investing is a very specific activity, different from different from giving money directly to projects or using their staff for them. Investors normally expect a return over 5 years, including tax relief.
- They may take a lower return on investments if there are clear multiple benefits: enhancing their branding and market image, benefiting staff and involving them with nature, improving health and wellbeing.
- Connectivity and biodiversity offsetting will be key drivers, and they need maintaining over a long period.
- There needs to be clarity on how money is used and what for, and what are the benefits. Projects should be ranked to see which give the best returns or offsets. Investing in projects on some sites may unlock the development potential on other sites where there is little or no potential for biodiversity net gain.
- The Trust for Oxfordshire's Environment is a good model: it does not hold the money but acts as an intermediary, working with landowners and family offices, defines sites and checking the quality of projects to best meet objectives.
- In some sites one should not be satisfied with doubling nature; one might perhaps aim for much more than that.
- Farming is about to go through a seismic change with the Brexit and the loss of CAP, so starting to invest in nature is well timed as many more farmers will be keen to take up environmental schemes to maintain their profitability.
- Nature Parks can create volunteering and experiential activities for business staff as well as hospital patients, which will create an income. Businesses could be invited to pay for membership of the Cambridgeshire Nature Network which would give discounts to staff who then use the site/park/facilities. There would be payback in attracting staff and reducing staff turn-over.
- Public land, such as that owned by the NHS, needs a plan to benefit biodiversity.

Group 1

Professor Ian Hodge (Cambridge University)

Matt Antrobus (Babraham Campus)
John Bridge (Cambridgeshire Chamber of Commerce)
Andrew Brown (Anglian Water)
Trevor Gibson (Opportunity Peterborough)
John Gourd (Cambridge Network)
Robert Marshall (Martlet Capital)
Luke Newbey (Environment Agency)
Stephen Pritchard (TTP)
Fiona Riggall (ARM)
Dan Thorp (Cambridge Ahead)
Alan Todd (FSB)
Bill Wicksteed (SQW)
Andy Williams (AstraZeneca)
Phil Clark (Cambridgeshire County Council)

Group2

John Torlesse (Natural England)

Daniel Clark (Cambridge Water)
Charles Crawford (LDA Design)
Andrew Evans (Philanthropy Company)
Chris Francis (Turners of Soham)
Sam Goodall (Cambridge Cleantech)
Christine de Ferrars Green (Mills & Reeve)
Bruce Huett (cam Valley Forum)
Polly Neal (Logika Consultants)
Jeremy Newsum (ex Grosvenor Estates)
Andrew Newton (Ely Drainage Boards)
Gareth Price (Gide Associates)
Robin Price (Water Resources East)
Jason Snape (AstraZeneca)
Chris van Stolk (RAND Europe)
Urselle Mumford (Environment Agency)

Group3

Cameron Adams (Environment Agency)

Richard Anthony (Bursar, Jesus College)
Richard Astle (Natural Cambridgeshire)
Tim Breitmeyer (farmer)
Andrew Burgess (farmer)
Adrian Cannard (Combined Authority)
Tom Clarke (farmer)
Jo Finlow (Fens for the Future)
Robert Grace (Natural Capital East)
Martin Lines (farmer)
Richard Pemberton (farmer)
John Shropshire (farmer)
Erika Wedgwood (ADAS)
Rob Wise (NFU)
Mark Nokkert (Cambridgeshire ACRE)

Group4**Roger Mitchell (Natural Cambridgeshire)**

Roland Bull (Bidwells)

Matthew Bullock (Cambridge Ahead)

James Buxton (Pigeon Investment)

James Curtis (Morgan Sindall)

Maureen Donnelly (former chair of Clinical Commissioning Group)

Bob Ensich (Morgan Sindall)

Duncan McCunn (Barclays)

Paul McDiarmid (Lands Improvement Holdings)

Will Nichols (Strutt & Parker)

Martina Sechi (Bidwells)

Andy Sharpe (Grosvenor Britain & Ireland)

Sven Topel (Brookgate)

Mike Vickery (Deloitte)

Chris Bowden (Natural Cambridgeshire)