

HM Government

Natural Capital Committee

Third meeting, Nobel House, 12 July 2016, 13:00-15.00

Chair: Dieter Helm (DH)

Members: Ian Bateman (IB) (by phone), Diane Coyle (DC), Paul Leinster (PL), Georgina Mace (GM), Colin Mayer (CM), Kathy Willis (KW)

Secretariat: Nick Barter (NB), Maggie Charnley (MC), Julian Harlow (JH), Lizbe Pilbeam (LP)

Chairman's Update

DH reminded everyone of the importance of attending face-to-face Committee meetings in person.

25-Year Plan Update

NB updated the Committee on progress with the 25 Year Environment Plan (25 YEP). He reminded the Committee that the 25 YEP had been through a number of iterations in the past few weeks. Given the EU referendum result, Defra is taking the opportunity to take a more fundamental review of environment policy, and await any possible Ministerial changes. The publication of both the framework and the full 25 YEP has therefore been delayed. A new timetable will be agreed with Ministers.

There remains a clear manifesto commitment to a 25 year environment plan. The planned regional workshops are going ahead across England to engage local areas with the 25 YEP. Attendees include a wide range of local interests, including local councils, key NGOs, Local Nature Partnerships, Local Economic Partnerships, water companies. In addition, local staff from Defra agencies. The workshops are informed by a short note summarising progress on the 25 YEP.

DH noted that there were three substantive issues for the Committee to take forward to support the 25 YEP: Firstly, 'the prize', articulating the Committee's thoughts on the aim of the 25 YEP; secondly, the how to do it manual; and thirdly, the Pioneers. It was agreed that extra time was needed to discuss the Committee's thoughts on issues relating to its advice on the 25 YEP in more detail.

It was agreed that the Committee will still publish a progress report on the 25 YEP in January.

It was agreed that the Committee would prepare a short high-level letter to incoming Ministers, setting out the Committee’s views on the 25 YEP. It was agreed that this letter would be published on the website, so that the audience would be both Ministers and external stakeholders.

Two articles were referenced in relation to Brexit and CAP: the information from the NFU in its consultation on the post-EU farming agenda, and a 2005 HMT paper on Vision for the CAP.

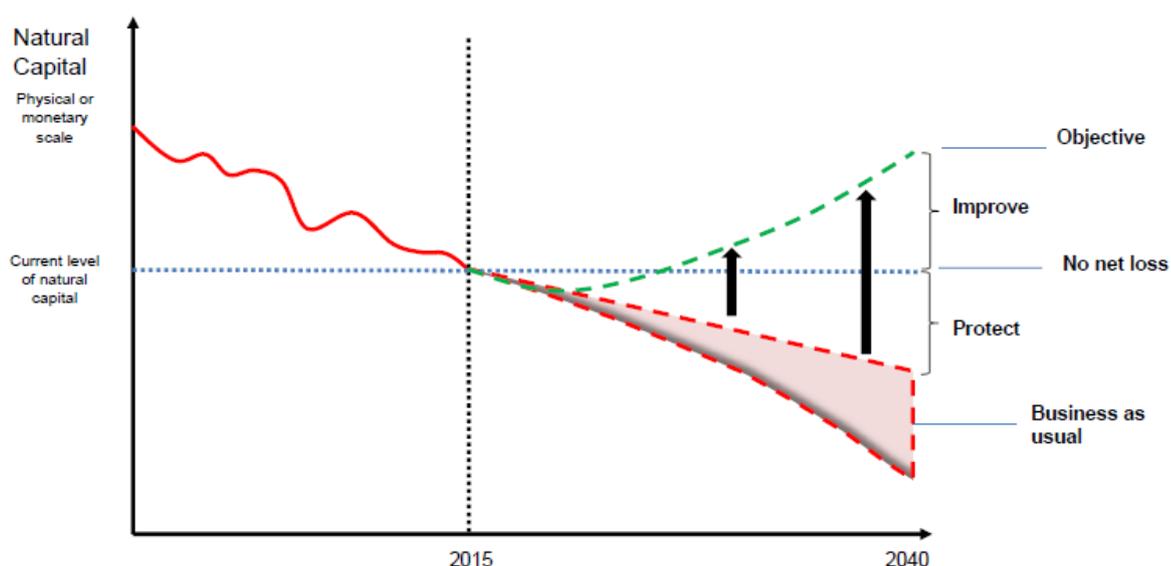
The Prize

GM introduced ‘the prize’ that the Committee should be seeking to set out as the goal of the 25 YEP. GB described how current environmental management stems directly from historic management – if we were to start from scratch, we would do things differently. Integration would lead to huge economies of scale and economies of function: multifunctional landscapes would create more value from investments. Instead of thinking about the future compared to the present, we should ask what the environment will be like in 25 years by setting a business-as-usual approach against an integrated plan to demonstrate the benefits.

GM reiterated that the Government’s goal is to leave the environment in a better state than it is now. To achieve this, we need to do more than just hold back decline. We also need to enhance and restore. The usual annual plans are incremental plans, but over a 25 year period, it is possible to make a serious difference with the right investment, as the NCC investment cases in SoNC3 demonstrated. Local annual plans alone will not get England to that point as they miss the bigger vision. The prize is a suite of benefits to people from natural capital.

The diagram from SoNC3 was referenced as a helpful illustration of the size of the challenge (copied below).

Figure 1: Protecting and improving natural capital over a generation – a stylised interpretation



In discussion, it was noted that:

- Brexit means that there are lots of opportunities to improve things but also challenges.
- A good starting point might be to map natural capital across England at a scale that is relevant at a local level.
- Delivery mechanisms and governance are critical, to ensuring the right engagement and overall engagement across local delivery organisations, without a single budget or delivery body.
- Improved, smart investments are needed.
- Getting the counterfactual right is necessary, and there is an important generational aspect to the 25 year ambition.
- Integration means more value for the same budget.
- The desired outcomes should be set out first, followed by inputs and the process of integration.

How to do it manual

A paper was provided by DH ahead of the meeting setting out a possible structure for the How to do it manual. DH introduced his proposal, suggesting the Manual should contain three parts: 1) a practical guide to establishing a natural capital plan – this will require the most input; 2) a series of case studies, such as the Surry, Essex and Dorset plans; 3) resources available for use. The NCC should not aim to make a perfect manual, as that will take too long and lose the momentum and current enthusiasm of stakeholders. Instead, something should be prepared quickly, and then continuously updated over time.

It was agreed that the manual should be produced without delay, using straightforward language. In the main body, there would be an attempt to avoid technical terms such as valuation, assets, etc, and instead put them in a technical details section within the layers of the manual. More technical aspects to the approach might also be captured in a separate section.

It was agreed that the manual should include an introduction to natural capital, much of which can be built from SoNC3. It should also include a section on managing the process of identifying and establishing partnerships, and setting out the desired endpoint.

It was agreed that once a first draft has been developed, the manual should be produced iteratively to get feedback right from the start, using a small group of trusted practitioners as a sounding board, for example National Parks and leading local partnerships such as Surrey and Exmoor. The revised manual should then be tested more widely.

Pioneers

NB explained that it is still the intention to launch the Pioneers shortly, setting out high level aims and objectives.

The role and input of the NCC in the Pioneers is still not established, and needs to be considered further in the extended autumn meeting. The NCC also needs to consider how the Pioneers can be used as examples for other areas.

Admin and other issues

DH has set up or is setting up meetings with the Chairs for the key stakeholder organisations (Climate Change Committee, Natural England, Environment Agency, Office of National Statistics, National Infrastructure Commission). DH requested a steer from working level contacts by Committee members ahead of these meetings, where relevant.

JH attended a JNCC meeting on metrics, which KW had not been able to attend.

DC and CM will be meeting with ONS later on 12th July.

Forthcoming events and meetings

The Committee has a joint meeting with the Adaptation to Climate Change Sub-Committee (ASC) on 14th July. Separately, DH will be meeting the Chair of the Climate Change Committee, Lord Deben. Matthew Bell, the Chief Executive, is keen to identify a lead NCC member to liaise with the ASC on a working level. It was agreed that this would be GM and IB.

The Climate Change Committee will be visiting IB in Exeter on 22 July.

The senior roundtable on catchments will be held on 14th July. A good number of senior people will be attending.

AOB

It was noted that a large number of people from a wide range of organisations attended the NCC Summer Stakeholder Event. DH reminded the Committee of its previous agreement to make this an at least annual event.

It was noted that some people mistake the NCC for the Natural Capital Coalition (also NCC). The Coalition is launching its Natural Capital Protocol on 13th July. It was agreed that the Committee should consider producing a short response to its Protocol.

Next NCC Meeting

The next face to face NCC meeting will be held in September.