

**AGENDA MANAGEMENT SHEET**

**Report Title:** Natural Capital Investment Strategy

**Name of Committee:** Cabinet

**Date of Meeting:** 1 July 2024

**Report Director:** Chief Officer Growth and Investment

**Portfolio:** Growth and Investment

**Ward Relevance:** All

**Prior Consultation:** Climate Emergency Working Group

**Contact Officer:** Nicola Smith Chief Officer Growth and Investment  
Nicola.smith@rugby.gov.uk

**Public or Private:** Public

**Report Subject to Call-In:** No

**Report En-Bloc:** No

**Forward Plan:** Yes

**Corporate Priorities:** This report relates to the following priority(ies):

**(C) Climate**  Rugby is an environmentally sustainable place, where we work together to reduce and mitigate the effects of climate change. (C)

**(E) Economy**  Rugby has a diverse and resilient economy that benefits and enables opportunities for all residents. (E)

**(HC) Health and Communities**  Residents live healthy, independent lives, with the most vulnerable protected. (HC)

**(O) Organisation**  Rugby Borough Council is a responsible, effective and efficient organisation. (O)

[Corporate Strategy 2021-2024](#)

This report does not specifically relate to any Council priorities but

**Summary:**

This report seeks approval to adopt the jointly commissioned Warwickshire, Coventry and Solihull Natural Capital Investment Strategy (NCIS) as the basis for utilising natural capital funding across the sub-region.

**Financial Implications:**

The development of the NCIS was funded by Warwickshire County Council. It is estimated that a further £75,000 will be required to complete the Natural Capital Investment Implementation Plan (NCIIP) and it is proposed that, subject to legal confirmation, the development of the NCIIP should be funded from the existing Section 106 offsetting funds held by Warwickshire County Council. Therefore, it is not expected that additional funding will be required from Rugby Borough Council to prepare the NCIIP. However in the event that there are legal impediments for using existing Section 106 funds in the way proposed, the eight participating authorities may be asked to consider funding the NCIIP for up to £10,000 each.

**Risk Management/ Implications:** A full risk analysis will be developed as part of the NCIIP to be scrutinised by the, to be appointed Board, before any formal adoption of the NCIIP as required by each partner local authority.

For all ecosystem services markets a mitigation hierarchy will be developed in the NCIIP (similar to the existing BNG hierarchy in figure 2) which will influence and determine what mitigation will be required and where it should be carried out.

**Legal Implications:**

Taking a sub-regional approach to the Investment Strategy and Implementation Plan will make it easier to align the strategy and delivery with the Environment Act 2021 and emerging Local Nature Recovery Strategies (LNRS). This will also reflect and enhance the overlap between the Warwickshire LNRS. It will also provide a platform for the effective delivery of Biodiversity Net Gain.

**Equality and Diversity:**

To ensure that all residents are impacted by the source of the funding benefit from the investment, a sequential mitigation hierarchy similar to that used for Biodiversity Net Gain will be applied to decide where the compensation is to be sited.

## **Climate Implications**

The NCIS and NCIIP will provide long-term, sustainable funding and income sources to support the delivery of Warwickshire, Coventry and Solihull's Green Infrastructure Strategy and the Local Nature Recovery Strategy as well as local strategies.

## **Options**

### Option 1

Adopt the Natural Capital Investment Strategy

### Option 2

Do not adopt the Natural Capital Investment Strategy. This option would however leave the Council without a strategic approach to investing in natural capital, meaning that investments are made in an ad hoc way, thereby leaving the Borough vulnerable to missed opportunities, slow delivery and reduced benefits, or would require a local strategy to be developed which could still deliver a positive approach, but would fail to deliver to the multiple benefits set out in this report.

## **Recommendation: IT BE RECOMMENDED TO COUNCIL THAT:**

1. subject to the other partners doing likewise, the Warwickshire, Coventry and Solihull Local Authorities Natural Capital Investment Strategy as set out in Appendix 1 be adopted;
2. the proposals to develop the Warwickshire, Coventry and Solihull Local Authorities Natural Capital Investment Implementation Plan are agreed and a further report is brought back to Council for approval on completion of that work; and
3. subject to recommendations 1 and 2 being agreed, the Warwickshire, Coventry and Solihull Natural Capital Investment Board and Natural Capital Investment Management Group are established to enable the delivery of the Strategy

## **Reasons for Recommendation:**

The Natural Capital Investment Strategy and Natural Capital Investment Implementation Plan will provide long-term, sustainable funding and income sources to support the delivery of Warwickshire, Coventry and Solihull's Green Infrastructure Strategy and the Local Nature Recovery Strategy (in preparation), as well as delivering the aims of the Council's Corporate Strategy and Climate Strategy.

**Cabinet - 1 July 2024**

**Natural Capital Investment Strategy**

**Public Report of the Chief Officer for Growth and Investment**

**Recommendation**

IT BE RECOMMENDED TO COUNCIL THAT:

- (1) subject to the other partners doing likewise, the Warwickshire, Coventry and Solihull Local Authorities Natural Capital Investment Strategy as set out in Appendix 1 be adopted;
- (2) the proposals to develop the Warwickshire, Coventry and Solihull Local Authorities Natural Capital Investment Implementation Plan are agreed and a further report is brought back to Council for approval on completion of that work; and
- (3) subject to recommendations 1 and 2 being agreed, the Warwickshire, Coventry and Solihull Natural Capital Investment Board and Natural Capital Investment Management Group are established to enable the delivery of the Strategy.

**1. EXECUTIVE SUMMARY**

- 1.1 This report seeks approval to adopt the jointly commissioned Warwickshire, Coventry and Solihull Natural Capital Investment Strategy (NCIS) as the basis for utilising natural capital funding across the sub-region. The Warwickshire, Coventry and Solihull Local Authorities Natural Capital Investment Strategy (NCIS), see Appendix 1, has been developed and is now ready to be adopted by all eight local authorities in Warwickshire, Coventry and Solihull.
- 1.2 Once adopted, the next stage in the process will be to agree to the development of the Warwickshire, Coventry and Solihull Local Authorities Natural Capital Investment Implementation Plan (NCIIP).
- 1.3 In addition, the report proposes that the governance arrangements are put in place to oversee the delivery of the strategy, including developing an Implementation Plan to address the elements set out in Appendix 2.
- 1.4 To manage the NCIS and NCIIP, the Warwickshire, Coventry and Solihull Natural Capital Investment Board and Natural Capital Investment Management Group would be established.

- 1.5 The NCIS was presented to Climate Emergency Working Group on 12th March. Members of the Working Group were supportive of adopting the Strategy.

## 2. BACKGROUND

- 2.1 Those who live, work, visit or do business in Warwickshire, Coventry and Solihull draw varied benefits and value from the rich and diverse natural environment of the region. Investing in our natural capital will help us to recognise and improve the value of the natural environment, the benefits it provides us and embed this within the approach we take to addressing a range of local priorities. This will enable us to develop income and funding streams, allowing us to invest in the protection, enhancement and recovery of our natural capital assets in Warwickshire, Coventry and Solihull. This work will be fundamental to reversing nature's decline and securing the continued provision of services and benefits provided by nature and the environment.
- 2.2 The NCIS provides a mechanism for delivering some element of the Biodiversity Action. It provides the potential to use resources to bring the greatest benefits to biodiversity across the sub-region. Within Rugby it provides the opportunity to identify and fund investment in a range of natural assets to bring about benefits for biodiversity, flooding and carbon sequestration.
- 2.3 Officers have worked in partnership with Warwickshire County Council, Solihull Metropolitan Borough Council, Coventry City Council and the other Districts and Boroughs in Warwickshire to produce the Warwickshire, Coventry and Solihull Local Authorities Natural Capital Investment Strategy, see Appendix 1. This is a top-level local authority strategy which specifically manages how the sub-region Local Authorities will utilise the nature-based compensation monies, and other income streams, generated through the planning system (for example Biodiversity Net Gain (BNG)) or other voluntary environmental markets.
- 2.4 The NCIS gives a strategic direction for the local authorities to achieve and implement investment in Warwickshire, Coventry and Solihull's natural capital assets. It lays the foundations for a detailed Natural Capital Investment Implementation Plan (NCIIP) that will describe what actions are required, how they will be carried out, who will be involved and how funding will be distributed, monitored and reported. The proposed elements to be addressed in the NCIIP are set out in Appendix 2.
- 2.5 The overall strategic aim of the NCIS is: *“Local authorities in Warwickshire, Coventry and Solihull will use the income raised from environmental markets and nature-based compensation schemes to enhance nature and the environment, benefit its people and help tackle climate change. They will do this through an agreed, region-wide strategy and Natural Capital Investment Implementation Plan.”*

### 3. BENEFITS OF A SUB REGIONAL APPROACH TO NICS

3.1 Taking a sub-regional approach to natural capital investment has many advantages:

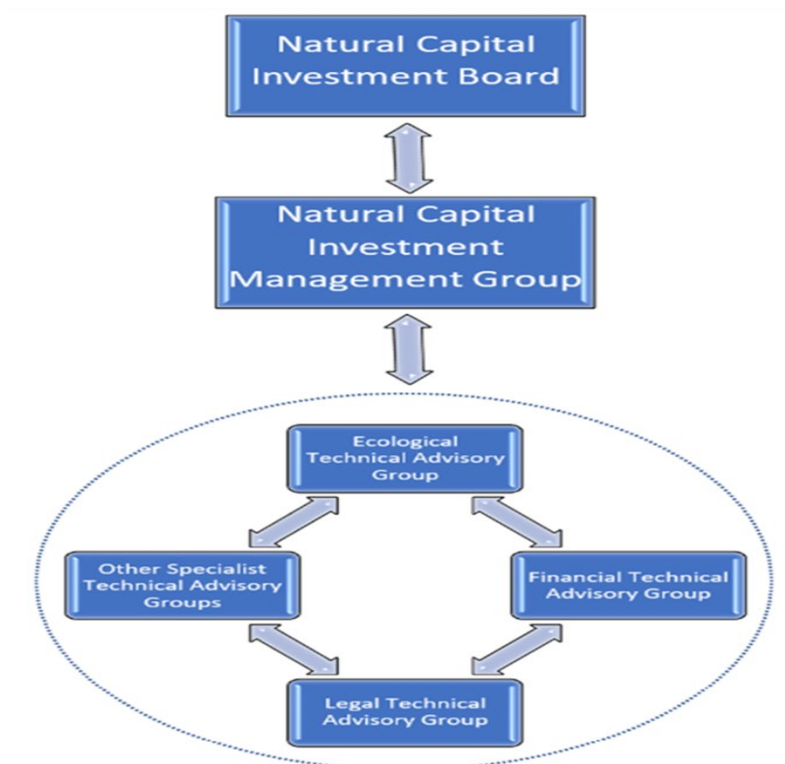
- **Together we are stronger than the sum of our parts:** By working together with a common approach, we can pool our resources and expertise in a cost-effective and efficient manner to create a more comprehensive and effective strategy for protecting and restoring our natural environment. We can also leverage each other's strengths to find innovative solutions and approaches that would be difficult for any single district or borough to achieve.
- **Utilising combined resources:** By working together, we can combine our resources, such as staff, volunteers, equipment and funding to achieve more than we could on our own. This will allow us to implement more ambitious projects and achieve greater results.
- **Attracting greater levels of investment:** The NCIS and NCIIP will develop new investment, income and funding streams which will drive the development of ambitious and impactful projects. By creating a joint sub-regional Investment Strategy and Implementation Plan, we can offer investors a stable and low-risk platform for those looking to advance environmental goals or invest ethically.
- **Develop a project pipeline:** The NCIIP will include a region-wide pipeline of shovel and investment ready projects. These will allow swift and efficient reactions to funding, buying or investment opportunities and further develop a regional environmental vision and identity.
- **Each local authority will benefit in the same way, proportionally, over the lifespan of the strategy:** Full details of how the benefiting environmental projects will be chosen and funded will be explained within the NCIIP and will be closely linked to the sub-regional Green Infrastructure Strategy, the respective Local Nature Recovery Strategies (LNRS) and the ecosystem services trading protocol.
- **Best for nature – a ‘more, bigger, better & joined up’ approach delivered at a local scale:** A regional NCIS will allow us to take a more comprehensive, shared approach to protecting and restoring our natural environment. We can identify and address cross-boundary issues, such as air pollution and water quality, and work together to develop a more connected and resilient network of natural habitats.
- **Delivering natural capital benefits, climate change mitigation and resilience which will benefit local people:** The NCIS will help to deliver a wide range of benefits for communities across Warwickshire, Coventry, and Solihull. These will include improved air quality, cleaner water, increased biodiversity, healthier people, and a more resilient environment in the face of climate change.

- **Working alongside other regional and national policies and strategies:** This joint sub-regional Investment Strategy and Implementation Plan will make it easier to align our strategies with the environmental ambitions of the West Midlands Combined Authority (WMCA) and national initiatives including the Environment Act 2021 and emerging LNRS. This will also reflect and enhance the overlap between the Warwickshire LNRS and WMCA LNRS.

#### 4. GOVERNANCE

- 4.1 Governance of the NCIIIP will be managed by the Warwickshire, Coventry and Solihull Natural Capital Investment Board. The Board will be supported by a Natural Capital Investment Management Group and Technical Advisory Groups (Figure 1).
- 4.2 Board membership will be comprised of the relevant Cabinet Members, or representative, from each of the eight constituent local authorities. Supported by the officer-led Management Group, the Board will be the key steering and decision-making body in relation to the allocation and investment of current S106 funds and future local authority environmental income streams. It will ensure that decisions made in respect of natural capital investment are transparent, sustainable and ultimately maximise the benefit to the environment and the local communities in Warwickshire, Coventry and Solihull.

Figure 1: Governance Structure



## 5. FINANCIAL IMPLICATIONS

- 5.1 Taken as a whole and over time, the Strategy seeks to ensure a proportionate distribution of the funding to enable all communities within the sub-region to benefit in a fair way. In the short-term, the flexibility offered by working together means that some funding arising in one part of the sub-region may not be spent directly within the area if there are no suitable investable projects. However, by focusing on bringing forward investable projects in areas where underspending has occurred, it is expected that over time and fair balance will be struck.
- 5.2 Income will be generated through planning contributions, trading credits/units from ecosystem service markets (such as Biodiversity Net Gain (BNG), carbon offsetting, Green social prescribing, etc) and/or regulatory compensation mechanisms linked to local authority regulatory functions.
- 5.3 Existing funds relating to the already established Biodiversity Offsetting scheme are held by Warwickshire County Council within various local authority Section 106 accounts. Where these are held to be paid incrementally to project delivery organisations on an annual basis (in other words released on annual basis over time – sometimes as much as 30 years), there are significant interim funds which are available and could be invested, subject to applying strict criteria to manage risk and deliver benefits. In addition, some of these offset schemes have also delivered financial surpluses.
- 5.4 Until recently the Warwickshire Biodiversity Offsetting scheme has seen funding from Rugby being provided to Warwickshire County Council to oversee the funding of offsetting initiatives, including funding for ongoing management. The NCIS provides an opportunity for more local influence over where and how natural capital monies are spent.
- 5.5 Current, or nearly established, ecosystem services markets applicable to Warwickshire, Coventry and Solihull are:
- Biodiversity Net Gain - already established in Warwickshire through planning and mandatory from 12 February 2024
  - The Net Zero Carbon Buildings Planning Policy providing capital for Woodland Carbon (through implementation of the Warwickshire Carbon Standard and Woodland Carbon Code)
  - District Level Licensing funding (e.g. great crested newts)
- 5.6 Other ecosystem services markets which could be applicable to Warwickshire, Coventry and Solihull are:
- Future carbon markets, including soil, grassland and hedgerows.
  - Air quality
  - Flood risk mitigation
  - Nutrient neutrality
  - Water quality
  - Green social prescribing
  - Health and wellbeing
- 5.7 The NCIIP will investigate the funding mechanisms to deliver the NCIS and NCIIP under the instruction to follow a full cost recovery principle.



5.8 Figure 2 below sets out the hierarchy that will be used to allocate, noting that the lowest level (“Elsewhere in England”) will only be used in exceptional circumstances and then only with the agreement of the Natural Capital Investment Board.

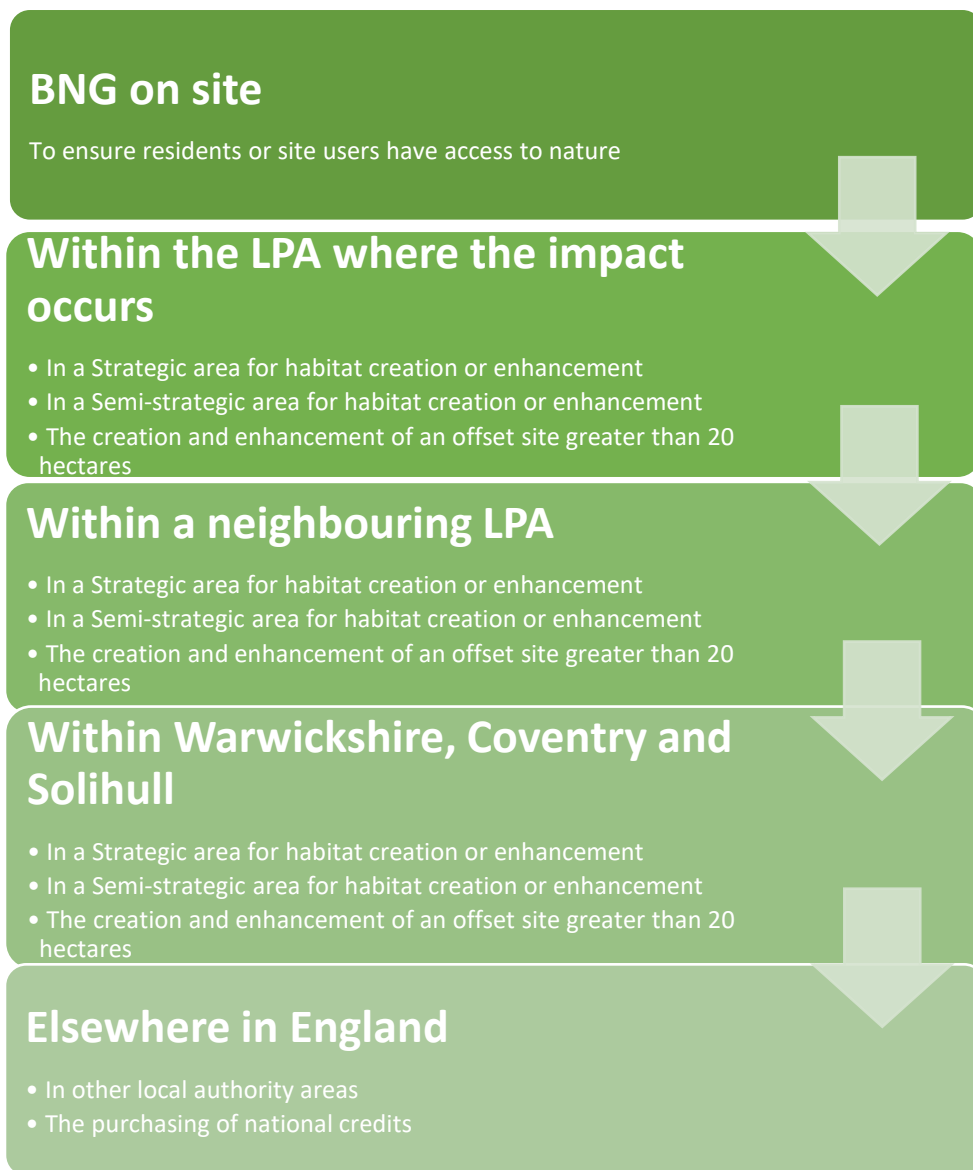


Figure 1: Biodiversity Net Gain sequential mitigation hierarchy for Warwickshire, Coventry and Solihull (based upon the Warwickshire, Coventry and Solihull Green Infrastructure Strategy) presented as an example of mitigation hierarchy.

## 6. CONCLUSION

6.1 The NCIS gives a strategic direction for the local authorities to achieve and implement investment in Warwickshire, Coventry and Solihull’s natural capital assets. It lays the foundations for a detailed Natural Capital Investment Implementation Plan that will describe what actions are required, how they will

be carried out, who will be involved and how funding will be distributed, monitored and reported.

- 6.2 By working together with other Warwickshire authorities, with a common approach, the councils can pool their resources and expertise in a cost-effective and efficient manner to create a more comprehensive and effective strategy for protecting and restoring our natural environment. They can also leverage each other's strengths to find innovative solutions and approaches that would be difficult for any single district or borough to achieve.

**Name of Meeting:** Cabinet  
**Date of Meeting:** 1 July 2024  
**Subject Matter:** Natural Capital Investment Strategy  
**Originating Department:** Growth and Investment

**DO ANY BACKGROUND PAPERS APPLY**       YES       NO

**LIST OF BACKGROUND PAPERS**

<b>Doc No</b>	<b>Title of Document and Hyperlink</b>

The background papers relating to reports on planning applications and which are open to public inspection under Section 100D of the Local Government Act 1972, consist of the planning applications, referred to in the reports, and all written responses to consultations made by the Local Planning Authority, in connection with those applications.

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Exempt information is contained in the following documents:

<b>Doc No</b>	<b>Relevant Paragraph of Schedule 12A</b>



# Investing in our natural environment - Warwickshire, Coventry and Solihull Local Authorities Natural Capital Investment Strategy

**(DRAFT)**



Prepared by  
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Ecology, Landscape & Historic Environment Team,  
supported by the Warwickshire, Coventry and Solihull Local Authorities  
NCIS Project Board and Working Group.

January 2024

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## Acknowledgements

This strategy was produced by Chris Bowden and the Warwickshire County Council Ecology, Landscape & Historic Environment Team, supported by the Warwickshire, Coventry and Solihull Local Authorities NCIS Project Board and Working Group.

The authors would like to thank all members of the NCIS Project Board and Working Group for their work, advice, encouragement and support during this project.

## 1 Executive Summary

1.1 Warwickshire County Council funded work to produce a natural capital investment strategy for all local authorities within Warwickshire. Given the focused nature of this document and the clear partnerships already in place, it will also be inclusive of Coventry and Solihull Local Authorities and will complement any additional natural capital investment strategies they may adopt.

1.2 The Warwickshire, Coventry and Solihull Local Authorities Natural Capital Investment Strategy (known henceforth as the NCIS) has been adopted as a top-level local authority strategy which specifically manages how the sub-region Local Authorities will utilise the nature-based compensation monies, and other income streams, generated through the planning system or other voluntary environmental markets.

1.3 The NCIS gives a 'strategic direction of travel' for the local authorities to achieve and implement investment in Warwickshire, Coventry and Solihull's natural capital assets. It lays the foundations for a detailed Natural Capital Investment Implementation Plan (NCIIP) that will describe what actions are required, how they will be carried out, who will be involved and how funding will be distributed, monitored and reported.

### 1.4 Strategic aim

*Local authorities in Warwickshire, Coventry and Solihull will use the income raised from environmental markets and nature-based compensation schemes to enhance nature and the environment, benefit its people and help tackle climate change. They will do this through an agreed, region-wide strategy and Natural Capital Investment Implementation Plan.*

1.5 This strategy document presents the key outcomes and actions of the NCIS. It outlines the proposed governance of the strategy and the formation of a Natural Capital Investment Board, a Natural Capital Investment Management Group and Technical Advisory Groups. This document also describes the funding and income sources; how they will be generated and used to benefit nature, the local environment and the people of Warwickshire, Coventry and Solihull.



## 2 Background

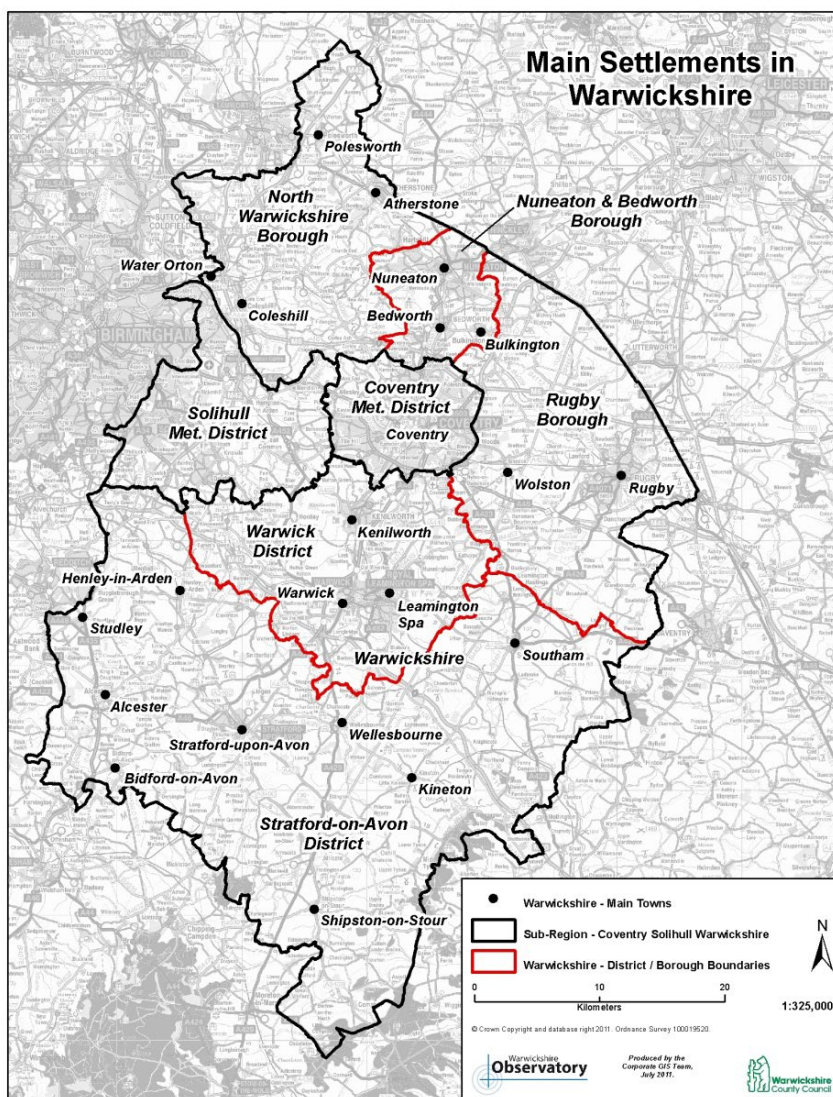
2.1 Those who live, work, visit or do business in Warwickshire, Coventry and Solihull draw enormous and varied benefits and value from the rich and diverse natural environment of the region. However, this value is poorly understood and often goes unrecognised.

2.2 Taking a natural capital approach will help us to recognise and understand the true value of the natural environment, the benefits it provides us and embed this within all relevant local authority policies and strategies.

2.3 The strategy will encompass the sub-region of Warwickshire, Coventry and Solihull and all eight local authorities within this area (see map). This reflects long standing partnership working between the eight authorities over three decades and includes a national pilot scheme for Biodiversity Offsetting, an extensive sub-regional Habitat Biodiversity Audit, sub-regional Green Infrastructure Strategy and shared,

nationally recognised expertise in our natural environment.

2.4 The strategy will specifically focus on the investment and funding side of the NCIS and will relate to all nature-based compensation monies, and other income streams, and nature recovery or environmental projects within this sub-region. In that respect, whilst this strategy will be the lead document for the six Warwickshire local authorities it will complement the broader strategies being developed by Coventry (CCC) and Solihull (SMBC)<sup>1</sup> by providing a sub-regional investment focus.



<sup>1</sup> The draft SMBC NCIS was approved or consultation in October 2023 and published in January 2024. It is due to be adopted in Spring 2024.

## What is natural capital?

2.5 Natural capital is a concept that refers to the elements of nature that produce value (directly and indirectly) to people, It is our stock of natural assets. The stocks of renewable and non-renewable natural capital (known as natural capital assets) include soils, freshwater, farmland, forests, the atmosphere, oceans, biodiversity, ecological processes and the natural processes that underpin them. The flows of ecosystem services and benefits they provide can be very obvious such as food, fuel, clean air, clean water and opportunities for recreation. Others are much less visible, such as climate regulation, flood defences provided by natural vegetation, the billions of tonnes of carbon stored by peatlands and other habitats, the pollination of crops by insects, the provision of valuable shade and cooling in hot weather by trees and other vegetation and the positive contribution of nature to human health and wellbeing.

2.6 These services and benefits all have a value to people, society and the economy. Some of these values can be easily quantified and reflected in the economy (such as the value of timber or food produced from farmland), whereas many others cannot and are thus hidden or missing from decision-making and economic valuation.

2.7 Natural capital approaches to environmental management have a few defining characteristics:

- a focus on the environment as a set of assets (Natural Capital)
- these assets provide a wide range of services and benefits for people (Ecosystem Services)
- there is an emphasis on a spatial and place-based understanding of these assets
- opportunities are sought to maximise multiple ecosystem services benefits across issues/sectors, and these can help manage multiple risks.

2.8 Ecosystem services benefits are commonly divided into three types:

- Provisioning services – products obtained from nature
- Regulating services – benefits obtained from environmental processes that regulate the environment
- Cultural services – Non-material benefits that people obtain from nature



## 2.9 Diagram 1: Ecosystem services benefits



2.10 Natural capital approaches typically comprise of natural capital investment strategies and plans which define a specific vision, programmes of activities, funding models and income/revenue streams.

### Warwickshire Carbon and Environmental Markets project

2.11 The Defra-funded Warwickshire County Council (WCC) Natural Environment Investment Readiness Fund (NEIRF) project ran from October 2021 to March 2022. It was designed to investigate opportunities to develop long-term, sustainable funding mechanisms for the sub-region of Warwickshire, Coventry and Solihull Councils' (sub-region) environmental ambitions within the mandatory system of Local Authority consenting regimes. This project, titled 'Warwickshire Carbon and Environmental Markets', provided recommendations for the development and establishment of a carbon market (a Warwickshire Carbon Standard based on the UK Woodland Carbon Code) and an air quality market. It also identified other potential mandatory ecosystem services markets (nutrient neutrality, flood risk mitigation and green social prescribing) to work alongside the current mandatory Biodiversity Net Gain (BNG) market. The project also outlined options for a Warwickshire Natural Capital Investment Strategy (NCIS) and Plan, recommended what they could cover and the detailed process by which they could be developed.

## Why develop a Natural Capital Investment Strategy (NCIS) and Plan for Warwickshire, Coventry and Solihull?

2.12 Natural capital investment planning is a relatively new approach, both globally and nationally, however the links between the economy, human well-being and the natural environment are increasingly being realised and understood. There is also a growing recognition that this approach should be evidence-based and used to inform socio-economic decision making across all sectors of our society.

2.13 Investing in the protection, enhancement and recovery of our natural capital assets in Warwickshire, Coventry and Solihull is fundamental to reversing nature's decline and securing the continued provision of services and benefits provided by nature and the environment.

2.14 Whilst the environment knows no boundaries, since the 1992 Rio Earth Summit there has been a significant movement towards 'saving wildlife in your own back yard'. This approach has developed into the Environment Act (2021) and the establishment of Local Nature Recovery Strategies. In 1994 the Warwickshire, Coventry and Solihull ecological community came together to produce Local Biodiversity Action Plans. In 2013 the Warwickshire, Coventry and Solihull Local Nature Partnership formed and this included all sectors of society, including business and health. Warwickshire County Council, on behalf of the regional local authorities, has created a nationally acclaimed, mandatory BNG market that has generated over £6M since 2015 and they have pledged to work with partners to plant a tree for every resident, currently 566,000, by 2030. This tree-planting initiative will be a key contributor to the Council's commitment to addressing the global climate change emergency and will help restore landscape character areas and improve biodiversity by creating extensive new habitats for wildlife. The region is therefore already one of the leaders in natural capital within the UK, so taking a Natural Capital Investment approach is the logical next step. The region should invest, at scale, in its natural capital assets but on the understanding that there is zero detriment to any city, district or borough.

2.15 Taking a sub-regional approach to natural capital investment has many advantages:

- **Together we are stronger than the sum of our parts**  
By working together with a common approach, we can pool our resources and expertise in a cost-effective and efficient manner to create a more comprehensive and effective strategy for protecting and restoring our natural environment. We can also leverage each other's strengths to find innovative solutions and approaches that would be difficult for any single district or borough to achieve. This approach will promote cross-boundary working and collaborative projects between departments and local authorities. It will also give a stronger political voice for nature, the environment and natural capital in the sub-region.

- **Utilising combined resources**  
 By working together, we can combine our resources, such as staff, volunteers, equipment and funding to achieve more than we could on our own. This will allow us to implement more ambitious projects and achieve greater results. It could also help develop training programmes and expand the provision of local green skills, therefore increasing local employment opportunities.
- **Attracting greater levels of investment**  
 The NCIS and NCIIP will develop new investment, income and funding streams which will drive the development of ambitious and impactful projects. By creating a joint sub-regional Investment Strategy and Implementation Plan, we can offer investors a stable and low-risk platform for those looking to advance environmental goals or invest ethically. Also, such a sub-regional Strategy and Implementation Plan will allow us to develop large, landscape-scale projects suitable for multi-million pound investments from financial institutions and institutional investors.
- **Develop a project pipeline**  
 The Natural Capital Investment Implementation Plan will include a region-wide pipeline of shovel and investment ready projects. These will allow swift and efficient reactions to funding, buying or investment opportunities and further develop a regional environmental vision and identity.
- **Each local authority will benefit in the same way, proportionally, over the lifespan of the strategy**  
  
 Full details of how the benefiting environmental projects will be chosen and funded will be explained within the NCIIP and will be closely linked to the sub-regional Green Infrastructure Strategy, the respective Local Nature Recovery Strategies<sup>2</sup> (LNRS) and the ecosystem services trading protocol.
- **Best for nature – a ‘more, bigger, better & joined up’ approach delivered at a local scale**  
 A regional NCIS will allow us to take a more comprehensive, shared approach to protecting and restoring our natural environment. We can identify and address cross-boundary issues, such as air pollution and water quality, and work together to develop a more connected and resilient network of natural habitats.
- **Delivering natural capital benefits, climate change mitigation and resilience which will benefit local people**  
 The NCIS will help to deliver a wide range of benefits for communities across Warwickshire, Coventry, and Solihull. These will include improved air quality, cleaner water, increased biodiversity, healthier people, and a more resilient environment in the face of climate change.

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<sup>2</sup> DEFRA have identified Warwickshire as one Local Nature Recovery Strategy area whilst Coventry and Solihull are grouped with the Birmingham and Black Country authorities within the West Midlands Combined Authority area.

- **Working alongside other regional and national policies and strategies**  
This joint sub-regional Investment Strategy and Implementation Plan will make it easier to align our strategies with the environmental ambitions of the West Midlands Combined Authority (WMCA) and national initiatives including the Environment Act 2021 and emerging Local Nature Recovery Strategies (LNRS). This will also reflect and enhance the overlap between the Warwickshire LNRS and WMCA LNRS.

2.16 Although investing in natural capital is an investment in nature and our environment, it is also an investment which benefits the people of Warwickshire, Coventry and Solihull. It could provide:

- cleaner water, green spaces and fresh air
- an investment in jobs and prosperity
- improved health and wellbeing
- an investment in our future and the future of our children

### **The Natural Capital Investment Strategy**

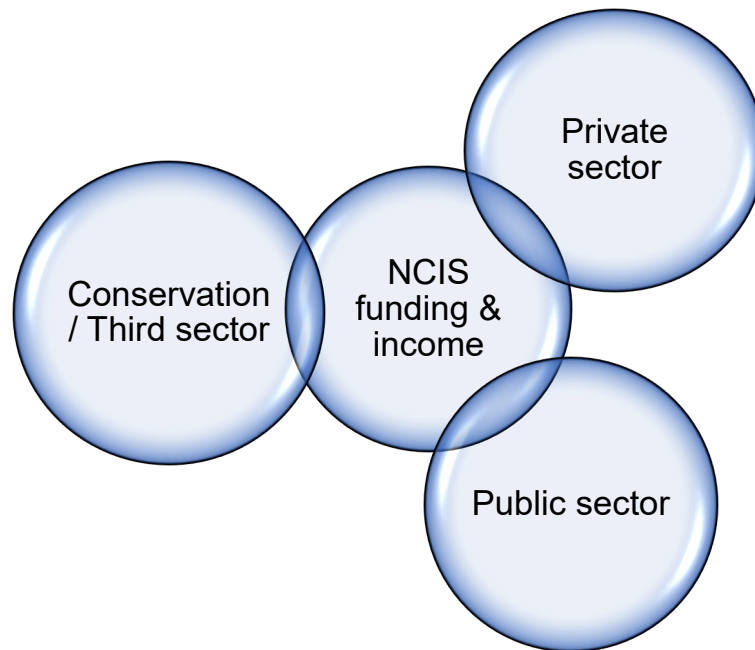
2.17 A Natural Capital Investment Strategy offers a critical tool in society's response to the biodiversity and climate emergencies by enabling the creation and enhancement of habitats, and increasing the resilience of the natural environment, communities and economy to the impacts of climate change, such as extreme weather events.

2.18 This Natural Capital Investment Strategy has been adopted as a top-level local authority strategy which manages how the sub-region Local Authorities will utilise the nature-based compensation monies, and other income streams, generated through the planning system or other voluntary environmental markets. This builds upon and continues the work carried out in developing the mandatory Warwickshire BNG market and developing Warwickshire Carbon and Environmental Markets.

2.19 The strategy gives a 'strategic direction of travel' for the local authorities to achieve and implement investment in Warwickshire, Coventry and Solihull's natural capital assets. The strategy lays the foundations for a detailed Natural Capital Investment Implementation Plan (NCIIP) that will describe what actions are required, how they will be carried out, who will be involved and how funding will be distributed, monitored and reported. The NCIIP will align with local strategies and policies including the 'Warwickshire, Coventry and Solihull Ecosystem Services Trading Protocol' [WCSGI Strategy CSWAPO consultation](#).

2.20 The NCIIP will be based upon a blended finance model (see diagram 2) incorporating public, private and third sector income streams in addition to grant funding, philanthropic support and some of the monies already generated through mandatory BNG.

Diagram 2: The key elements of a blended finance approach.



2.21 The purpose of the plan, and the Warwickshire, Coventry and Solihull Ecosystem Services Trading Protocol (currently in development), is to examine the roles of different types of potential sellers, buyers and investors within the wider picture of the social, economic and governance structure of the county and supporting local and national environmental policies and regulations. The plan will include a pipeline of potential projects, financial flow models (to facilitate income streams from the public, private and third sectors) and contain the recommendations to put the plan into practice over the next ten years.

2.22 Following adoption of the NCIS, the accompanying NCIIP will develop a range and pipeline of environmental projects and it will model potential flows of finance and investment, and could produce a process similar to the draft proposal presented in diagram 3.

Diagram 3: A draft financial flow model for the NCIS and NCIIP.



2.23 This indicative model shows how finance and investment could flow through a NCIIP. It shows sources of income and investment, and projects that these could support. The sizes of arrows indicate the relative amounts of investment, funding or profit (return on investment) that might be expected.

2.24 See Appendix 1 for examples of UK NCIS visions or key principles, and Appendix 2 for examples of UK Natural Capital Investment Strategies and approaches.

2.25 It is important that the NCIS works alongside all relevant, current and forthcoming national and regional policies and strategies (see diagram 4). These include the Environment Act 2021, emerging Local Nature Recovery Strategies (LNRS) for Warwickshire and the West Midlands, current and forthcoming Local Planning documents and the Warwickshire, Coventry and Solihull Sub-regional Green Infrastructure Strategy.

2.26 A full list of these policies, with hyperlinks where suitable, is given in Appendix 3.

2.27 Diagram 4: The inter-relationships between the NCIS and other local/regional environmental initiatives.





### 3 The Warwickshire, Coventry and Solihull Local Authorities Natural Capital Investment Strategy (NCIS)

#### 3.1 Strategic aim and outcomes of the NCIS

##### 3.1.1 Strategic aim

*Local authorities in Warwickshire, Coventry and Solihull (WCS) will use the income raised from environmental markets and nature-based compensation schemes to enhance nature and the environment, benefit its people and help tackle climate change. They will do this through an agreed, region-wide strategy and Natural Capital Investment Implementation Plan (NCIIP).*

##### 3.1.2 Key outcomes

- The Warwickshire local authorities, working in partnership with Coventry and Solihull, will be recognised as being leaders in the provision of high quality, high integrity environmental markets and nature-based compensation schemes.
- The strategy will ensure that all legal agreements for the delivery of nature-based compensation schemes (e.g. Biodiversity Net Gain (BNG)) are fulfilled and fully compliant with respective legislation.
- The strategy will provide enduring financial opportunities to support environmental initiatives within the sub-region, for example by offering repayable development finance, environmental market development or pump-priming opportunities.
- Key local authority leaders and decision makers will have a good awareness and understanding of Natural Capital approaches and Ecosystem Services. This will include knowledge and understanding of the associated markets, income streams and investment opportunities which could benefit the local authorities, its people, nature, environment and economy.
- The strategy will help develop and promote Warwickshire's green ambitions and credentials, and complement the range of national and local nature recovery strategies, policies and projects in Warwickshire and adjoining Coventry and Solihull.
- The strategy will increase cross-boundary working and departmental cross-cutting themes, and incorporate them in all relevant local authority and regional strategies and policies, e.g. community, climate, health and wellbeing, power, transport, etc.
- The strategy will support the development, implementation, monitoring and long term management of a Natural Capital Investment Implementation Plan.



- Environmental markets and funding/income streams will be developed and delivered within the sub-region.

Where appropriate, it is envisaged that environmental initiatives will be developed in strategic locations as close to the planned loss (e.g. BNG) or damage (e.g. water or air quality) as possible, with any habitat banks being designed to match this approach. Subject to ecological advice, the Warwickshire, Coventry and Solihull sub-regional green infrastructure strategy mitigation hierarchy and Governing Board approval.

## **3.2 Summary of actions, roles and responsibilities**

**3.2.1** The key actions for delivery of the NCIS will be:

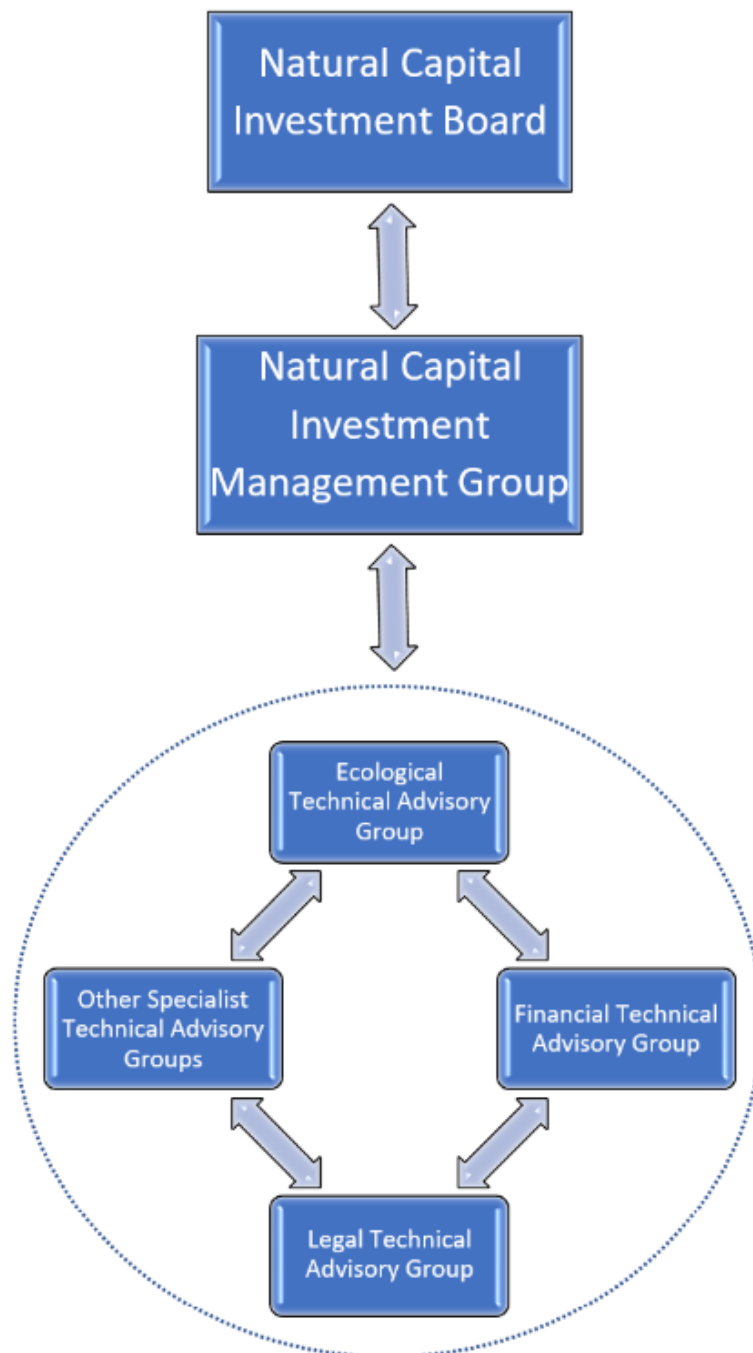
- A commitment to biodiversity and the recovery of nature through all WCS local authorities adopting a natural capital approach.
- Embed a natural capital approach within all current and forthcoming local authority policies and strategies.
- Development and implementation of the NCIIP.

**3.2.2** The outcomes for the NCIS will be delivered as part of the development, delivery and implementation of the NCIIP. This is currently being managed by Warwickshire County Council, supported by a specialist, external consultant.

### 3.3 Governance

3.3.1 Governance of the Warwickshire, Coventry and Solihull Natural Capital Investment Strategy and Implementation Plan will be managed by the Warwickshire, Coventry and Solihull Natural Capital Investment Board. The Board will be supported by a Natural Capital Investment Management Group and Technical Advisory Groups (see diagram).

Diagram 5: An indicative governance structure for the NCIS



### **Natural Capital Investment Board (NCIB)**

3.3.2 Membership will be comprised of the relevant Cabinet Member, or representative, from each of the eight constituent authorities. Initial leadership will be provided by Warwickshire County Council, until a Chair is elected.

3.3.3 The Investment Board is the key steering and decision body for the implementation of the WCS Natural Capital Investment Strategy and Implementation Plan. All eight local authorities have formally agreed the creation of the Board and the following tasks and responsibilities.

3.3.4 The objective of the Board is to ensure that decisions made in respect of natural capital investment are transparent, sustainable and ultimately maximise the benefit to the environment and the local communities in Warwickshire, Coventry and Solihull.

### **Natural Capital Investment Management Group (NCIMG)**

3.3.6 This group will be responsible for drafting reports and advising the Board on non-delegated decisions. Membership of this group will comprise relevant senior officers from each of the eight constituent authorities.

3.3.7 The Natural Capital Investment Management Group will have delegated powers and budgetary control as agreed by the NCIB.

### **Technical Advisory Groups**

3.3.8 In order to identify and select potential projects and income/investment opportunities the Natural Capital Investment Management Group will need to seek advice from a range of technical advisory groups. The groups will comprise relevant experts and specialists from within local authority, statutory body and third sector partner teams, as necessary. The operational work of such groups will be overseen by a member(s) of the Management Group.

3.3.9 The Technical Advisory Groups will provide technical advice and direction in progressing and co-ordinating the various programmes, projects and funding bids.

## 3.4 Internal partners and stakeholders

### 3.4.1 Local Authority partners

- Coventry City Council
- North Warwickshire Borough Council
- Nuneaton and Bedworth Borough Council
- Rugby Borough Council
- Solihull Metropolitan Borough Council
- Stratford District Council
- Warwickshire County Council
- Warwick District Council

Note that external partners and stakeholders are not considered to be required for this local authority-focussed approach. However, they will be involved in the development of the NCIP.

## 3.5 Funding and income sources

### The current funding situation

**3.5.1** Income has been generated through planning contributions and trading credits/units from ecosystem service markets (BNG) linked to local authority regulatory functions. Current funds are held within various local authority S106 accounts and these are paid to project delivery organisations on an annual basis, so there are significant surplus funds in the S106 accounts which we have access to.

### How will income be generated within the NCIS going forwards?

**3.5.2** Current ecosystem services markets applicable to Warwickshire, Coventry and Solihull:

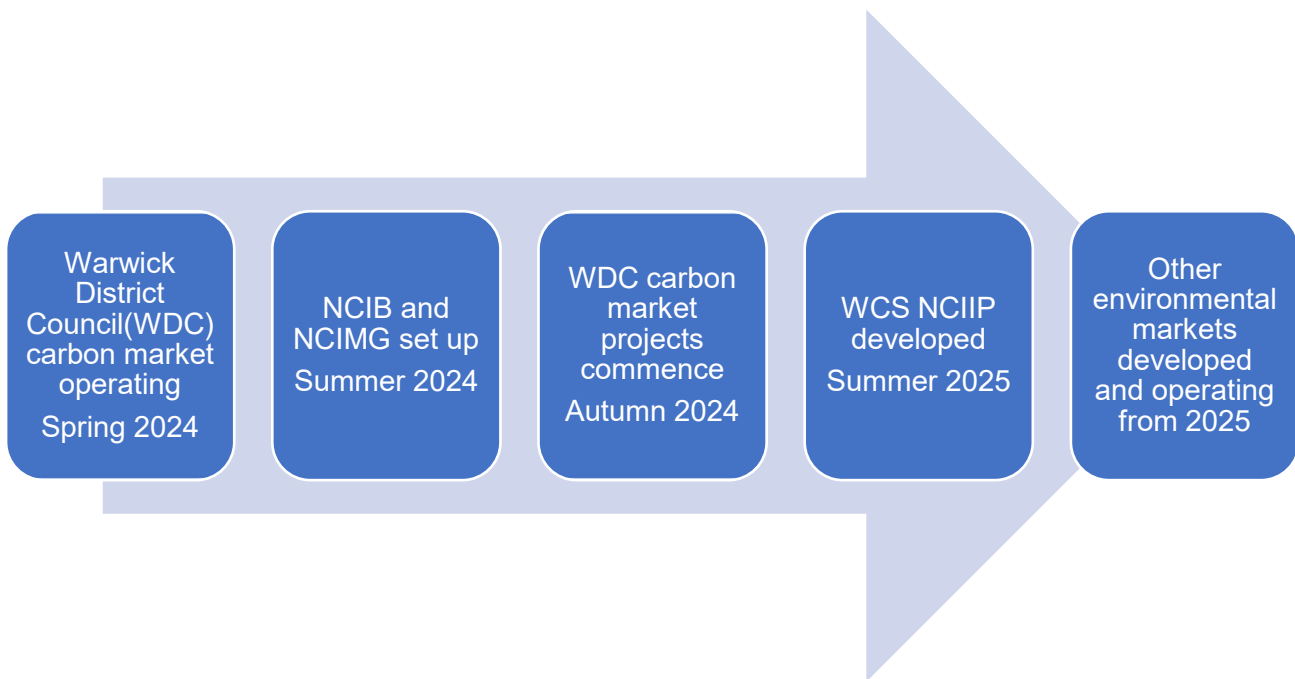
- Biodiversity Net Gain (currently mandatory in Warwickshire, Coventry and Solihull and nationally mandated from January 2024)
- Woodland Carbon (through implementation of the Warwickshire Carbon Standard linked to the Warwick District Council Net Zero Carbon Policy)
- District Level Licensing funding (e.g. great crested newts)

**3.5.3** Forthcoming ecosystem services markets which could be applicable to Warwickshire, Coventry and Solihull:

- Future carbon markets, including soil, grassland and hedgerows.
- Air quality
- Flood risk mitigation
- Nutrient neutrality
- Water quality
- Green social prescribing
- Health and wellbeing

3.5.4 For all ecosystem services markets a mitigation hierarchy will be developed, influencing what mitigation will be required and where it should be carried out. See the Warwickshire, Coventry and Solihull sub-regional Green Infrastructure Strategy and diagram 7.

3.5.5 Diagram 6: A proposed roadmap towards the development of an NCIIP and environmental markets in Warwickshire, Coventry and Solihull.



### How will this income be used?

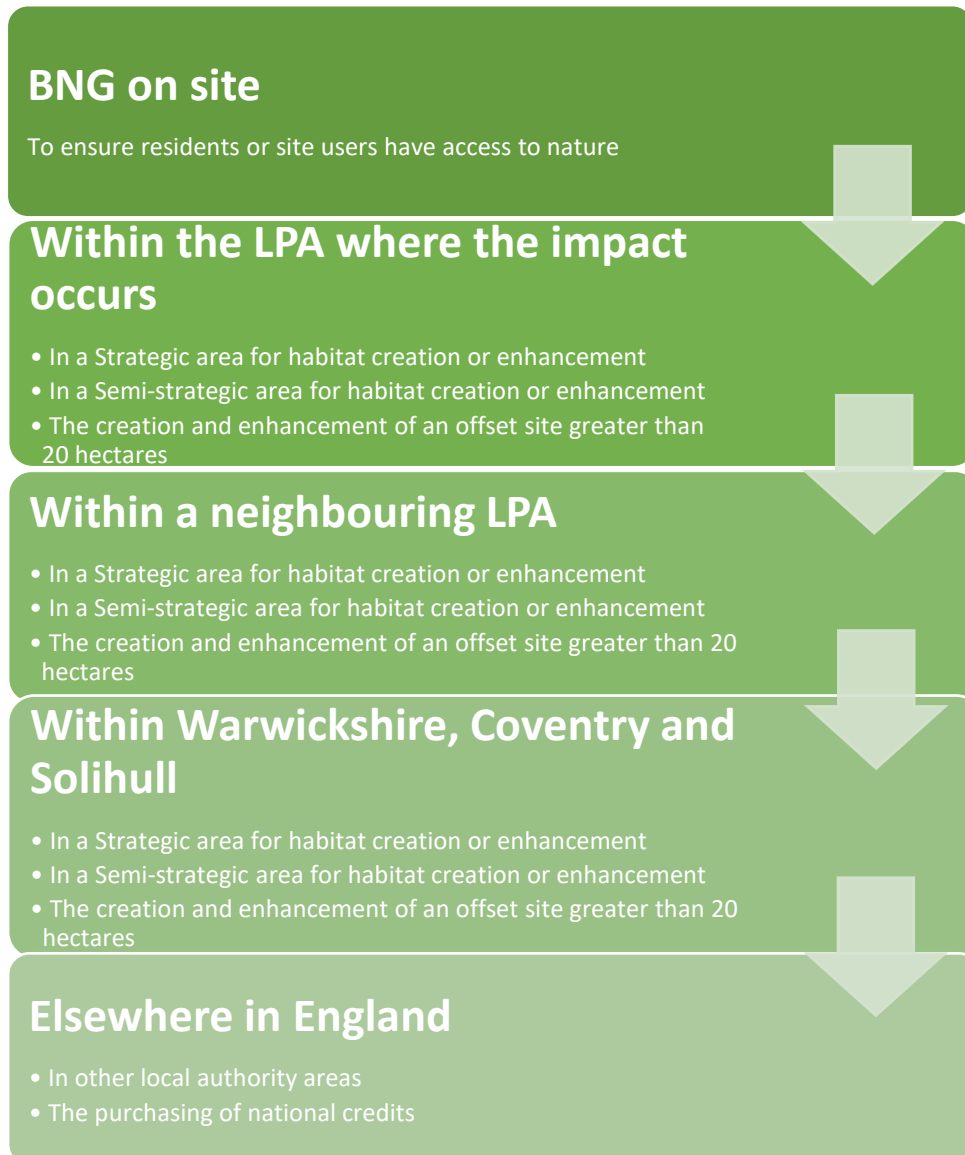
3.5.6 Note: This section covers what the NCIS and the Board (NCIB) will do with the monies already generated, and earmarked for spending, from the current BNG market and with any newly raised monies going forwards. It must follow current and future national trading rules and schemes.

3.5.7 Funds generated from environmental markets and nature-based compensation schemes will be available to support environmental initiatives within the sub-region, specifically those focussing upon enhancing biodiversity and tackling climate change. These will be exclusively natural capital related projects.

3.5.8 Environmental initiatives will be developed in appropriate strategic locations however all decisions will be subject to ecological advice and NCIB approval. Diagram 7 suggests a sequential mitigation hierarchy for BNG, a similar hierarchy could be applied to other environmental projects, and ecosystem services markets, and become a key part of the spatial decision-making process. Every local authority area will receive a fair share of the benefits in proportion to the funds or investments raised within its boundaries. This will help to ensure that the strategy is equitable and that all

residents and communities have the opportunity to benefit from improvements to the local natural environment.

**3.5.9** Diagram 7: Here the Warwickshire, Coventry and Solihull BNG mitigation hierarchy (currently being consulted upon as part of the sub-regional GI strategy) is presented as an example of what a future Ecosystem Service or Natural Capital Investment Strategy hierarchy might look like. The actual hierarchies adopted will be designed by the Natural Capital Investment Management Group and ratified by the Natural Capital Investment Board.



**3.5.10** Current funds are already allocated to specific 'spends' associated with habitat compensation agreements (e.g. BNG), so any finance made available to other projects will need to conform to strict risk, repayment, liquidity and return on investment rules which will be determined within the proposed Natural Capital Investment Implementation Plan. Decisions will also consider the potential benefits for nature, the environment and people of the sub-region. Examples could include

offering repayable development finance, market development or pump-priming opportunities.

**3.5.11** Future income will be subject to similar rules, though the requirement for repayment or return on investment will be determined by the funding source and the discretion of the Governing Board and/or awarding body. From Spring 2024 BNG will be nationally mandated and traded income will need to follow statutory Defra rules and regulations.

**3.5.12** It is important to plan for and manage risks associated with any income streams, financing and investment arrangements as well as in any proposed environmental projects or initiatives. A detailed Risk Management Plan will be developed within the NCIIP.

## Appendix 1 - Examples of UK NCIS visions or key principles

- **Solihull Council draft NCIS vision**

Solihull is a borough where all parts of society, including local authorities, companies, non-governmental organisations (NGOs) and communities can enjoy the benefits, are invested in the protection of and have access to all parts of the natural environment and recognise our reliance on natural capital and the impact we have on it.

- **Warwickshire, Coventry and Solihull Sub-regional Green Infrastructure Strategy**

### *Vision*

A diverse and well-managed Warwickshire, Coventry and Solihull Green Infrastructure network that underpins the quality of life for communities. This will be the result of a well-connected, accessible and biodiversity resilient landscape, supporting economic growth, social health and climate change adaptation.

- **Surrey Nature Partnership (LNP led by the Surrey Wildlife Trust)**

### **Vision**

A thriving, resilient and attractive county providing natural benefits to all who live and work here.

- **Sussex LNP**

### **Overarching principle**

A commitment to biodiversity within the natural capital approach.

Key elements of the strategy:

1. Protection and enhancement of natural capital
2. Investment in natural capital to deliver specific benefits and services
3. Making it happen: the steps needed to take the natural capital approach forward within Sussex through the work of the LNP

In Summary the strategy seeks to:

- Gain a better understanding of the natural capital of Sussex, where it is located and what benefits it provides to the economy of the area, using the best data available.
- Assess how best to focus effort, resources and funds to look after natural capital assets for the benefit of nature and people.
- Identify opportunities to use a natural capital approach to enhance services and benefits, such as clean water, accessible nature, carbon storage, flood risk reduction and healthy/productive inshore waters.



- Provide guidance on the steps needed to take this strategy forward into action.
- **North Devon Biosphere Natural Capital Strategy**

**Their natural capital strategy identifies four priorities for urgent action:**

- Protect and improve water quality
- Minimise flood risk
- Increase carbon capture and storage
- Manage tourism and recreation pressure

Here are two examples of Investment visions or key principles:

- **HSBC Pollination: Nature is capital**

Sustainable investment in natural capital provides exposure to projects focused on nature including sustainable forestry, regenerative and sustainable agriculture, water supply, blue carbon (carbon captured by oceans and coastal ecosystems), nature-based biofuels, or nature-based projects that generate returns from reducing greenhouse emissions.

- **Triodos Bank**

We believe investing should support a sustainable future. All the **investments in our funds** have been hand-picked by impact investing experts using a themed approach, which ensures they have a positive impact on society and the environment.

## Appendix 2 – Examples of UK Natural Capital Investment Strategies and approaches

The **Solihull Metropolitan Borough Council** draft Natural Capital Investment Strategy



Draft NCIS  
September 2023.docx

In 2015, the **Surrey Nature Partnership** launched ‘Naturally Richer - A Natural Capital Investment Strategy for Surrey’

(<https://surreynaturepartnership.files.wordpress.com/2015/11/naturally-richer-a-natural-capital-investment-strategy-for-surrey.pdf>).

This was a high-level document which gave a strategic direction of travel for implementing investment in Surreys’ natural capital assets. It explained why it mattered and indicated the key areas where they thought they needed to develop in order to secure investment. The Surrey Nature Partnership used this strategy to develop a natural capital investment plan in 2018.

**Sussex Local Nature Partnership** launched their 2019-2024 Natural Capital Investment Strategy in December 2019.

Summary [Microsoft Word - Natural Capital Investment Strategy Summary Feb2020.docx \(sussexlnp.org.uk\)](#)

Full document [Microsoft Word - Natural Capital Investment Strategy ADOPTED Final Dec 2019.docx \(sussexlnp.org.uk\)](#)

The aim of their strategy is to:

- Support nature’s recovery as a fundamental component of a healthy, prosperous and secure future for Sussex
- Protect and enhance the natural assets of Sussex so that these continue to provide multiple benefits for people into the future
- Position nature as a foundation for a strong, stable local economy and resilient society
- Increase resilience of natural capital assets in the face of current and future risks, such as climate change, increasing development and extreme weather events, which in turn will help to secure the benefits they provide

Their strategy provides:

- Initial understanding (based on best available data) of the natural capital of Sussex, where it is located and the raft of benefits and services it provides to people and the economy of the area
- Initial strategic assessment of how best to focus effort, resources and funds to protect and enhance the stock of natural capital assets for the benefit of nature and people

- Identification of opportunities to use a natural capital approach to deliver specific outputs of interest to LNP members, such as clean water, accessible nature, carbon storage and flood risk reduction
- Guidance on the steps needed to take this broad spatial strategy forward into action and outcomes on the ground

The **North Devon Biosphere Natural Capital Strategy** highlights a range of workable and affordable interventions, their next steps are to get these delivered in a consistent and organised way.

To deliver change at the scale that is needed they need to transform the way they manage the environment. Specifically, they need an approach designed for engaging with a complex system. They believe that this will require adoption and progression of four key management principles:

- **Institutional responsibility** - each environmental problem needs to be owned by an organisation or formal partnership.
- **Adaptive management** - declaring a target, tracking progress against it and adapting plans and investments as required.
- **Localisation** - devolving responsibility of environmental management to a geographical level discrete enough for integrated planning.
- **Shared commitment** – schemes should be co-developed and have shared understanding and commitment between stakeholders.

The North Devon Biosphere is working to make these a reality and engage with national and local partners. They are also considering developing a natural capital spatial plan to ensure that the right investments go in the right places.

Here is the strategy summary document

<http://publications.naturalengland.org.uk/file/4576451154411520>

In 2022, **Cornwall Council** produced an 'Investing in nature guidebook'

<https://letstalk.cornwall.gov.uk/19619/widgets/55725/documents/32282> and an

'Investing in nature process checklist'

<https://letstalk.cornwall.gov.uk/19619/widgets/55725/documents/32319> .

## Appendix 3 - Current and forthcoming international, national and regional policies and initiatives

The NCIS needs to work alongside the following policies and initiatives:

Note: These were current at the time of writing

### International

- [G7 2030 Nature Compact \(2021\)](#)
- [Kunming-Montreal Global Biodiversity Framework \(COP15\) December 2022](#)
- [IPCC AR6 Synthesis Report: Climate Change 2023](#)

### National

- [Environment Act 2021](#)
- [The 25 Year Environment Plan 2018](#)
- [Environment Improvement Plan 2023 \(first revision of 25 Year Environment Plan\)](#)
- [The Levelling Up and Regeneration Bill](#)
- [Forthcoming Land Use Framework 2023](#)
- [Environmental Land Management schemes \(ELMs\)](#)
- [Natural England Green Infrastructure Framework](#)
- [National Planning Policy Framework \(NPPF\) 2023](#)
- [The John Lawton Review 2010 – Making Space for Nature](#)
- [The Natural Environment White Paper \(NEWP\) The Natural Choice: Securing the Value of Nature \(2011\)](#)
- [England Tree Strategy \(2021\)](#)
- [England Peat Action Plan \(2021\)](#)
- [National Pollinator Strategy \(2014\)](#)
- [Biodiversity Net Gain \(2024\)](#)
- [Nature Recovery Networks](#)
- [The Economics of Biodiversity: The Dasgupta Review \(2021\)](#)
- [State of Nature Report \(2013, 2016, 2019, 2023\)](#)
- [Nature Positive 2030 \(2022\)](#)
- [Urban Design Compendium](#)
- [National Design Guide](#)
- [National Model Design Code](#)
- [Building for Healthy Places](#)
- [Building for a Healthy Life](#)
- [Building with Nature](#)

### Regional

- [Emerging Local Nature Recovery Strategies \(LNRS\) for Warwickshire and West Midlands](#)
- [Current and forthcoming Local Plans](#)
- [Warwickshire, Coventry and Solihull Sub-regional Green Infrastructure Strategy](#)

- Draft Solihull Metropolitan Borough Council Natural Capital Investment Strategy (NCIS)
- [Warwickshire Local Nature Partnership plans and initiatives](#)
- [Warwickshire, Coventry and Solihull Species and Habitat Action Plans](#)
- [Warwickshire Landscape Guidelines for Arden](#)
- [Warwickshire Sustainable Futures Strategy](#)
- [Solihull Green Infrastructure Study](#)
- [Warwickshire Historic Landscape Characterisation](#)
- [Warwickshire Historic Farmsteads Characterisation](#)
- Catchment Management Plans
- [West Midlands Natural Environment Plan 2021-2026](#)
- Warwickshire, Coventry and Solihull Local Authority Corporate Strategies
- Warwickshire, Coventry and Solihull Local Authority Climate Change Strategies
- Warwickshire, Coventry and Solihull Local Authority Health and Wellbeing Strategies
- Warwickshire, Coventry and Solihull Local Authority Flood Risk Management Strategies
- Warwickshire, Coventry and Solihull Local Authority Air Quality Management Strategies
- Warwickshire, Coventry and Solihull Local Authority Tree Planting and Woodland Strategies
- Warwickshire, Coventry and Solihull Local Authority Green Space Strategies
- Warwickshire, Coventry and Solihull Local Authority Economic Strategies
- Emerging Warwick District Council Biodiversity Action Programme
- Emerging Warwick District Council Net Zero Carbon Development Plan Document (DPD)

### Warwickshire, Coventry & Solihull Natural Capital Investment and Implementation Plan (NCIIP)

#### Skeleton plan: What will the NCIIP contain?

##### Main sections

- How the NCIIP will support and enable the Natural Capital Investment Strategy (NCIS)
- How and where income will be generated.
- Where funds will be kept and managed
- In line with the NCIS, the criteria for deciding what is funded and how
- Method of identifying investible or fundable projects (standard proforma?).
- Portfolio of current sites/projects and a pipeline of investment-ready projects
- Operating model
- Marketing and business strategies for investment and income generation.
- NCIIP role in supporting (but not developing) new Environmental Services markets.
- Links with wider regional strategies/policies – i.e. using monies to help pump-prime or support Local Nature Recovery Strategy, Green Infrastructure Strategy and other strategic initiatives.
- Financial requirements including requirements for investments or loans.
- Funding and investment decision-making processes and roles (including mitigation or funding hierarchies).
- Monitoring and reporting processes.
- Legal implications/parameters.
- Governance and accountability relating to specific funded projects.
- Links and relationships with funding bodies
- Insurance requirements.
- Ethical implications/parameters.
- Day to day management of the NCIS and NCIIP including any staffing, costs and funding.

# Rugby Borough Council

## Climate Change and Environmental Impact Assessment

### CONTEXT

In 2019 the UK Parliament set a commitment in law to reach net zero carbon emissions by 2050. Achieving this target will require considerable effort with public bodies, private sector organisations, the third sector and individuals working together to take action. Rugby Borough Council declared a climate emergency in 2019, in doing so committed to:

- To move the Council's operations towards Carbon Neutrality by 2030.
- To establish action to tackle climate change as a key driver of all decision-making.
- To provide community leadership in reducing the impact of Climate Change.
- To take action to mitigate the impact of climate change on a Borough wide basis and beyond, through adaptation.

The Council's Corporate Strategy (2021-2024) [link](#) sets ambitious outcomes in relation to Climate Change. These ambitions must now be progressed through the decisions which the Council makes.

It is therefore important that Rugby Borough Council gives due regard to climate change when making decisions. In the context of the Council's business, Climate Change includes carbon emissions, biodiversity, habitat loss and environmental destruction. When putting forward recommendations for decision, officers must assess how these recommendations are likely to influence our climate change commitments by completing the following Climate Change and Environmental Impact Assessment.

A copy of this Climate Change and Environmental Impact Assessment, including relevant data and information should be forwarded to the Deputy Chief Executive.

**If you require help, advice and support to complete the form, please contact Dan Green, Deputy Chief Executive.**

## SECTION 1: OVERVIEW

<b>Portfolio and Service Area</b>	Growth and Investment
<b>Policy/Service/Change being assessed</b>	Natural Capital Investment Strategy
<b>Is this a new or existing Policy/Service/Change?</b>	New Policy
<b>If existing policy/service please state date of last assessment</b>	N/A
<b>Ward Specific Impacts</b>	All
<b>Summary of assessment</b> Briefly summarise the policy/service/change and potential impacts	<p>The Natural Capital Investment Strategy and Natural Capital Investment Implementation Plan will provide long-term, sustainable funding and income sources to support the delivery of Warwickshire, Coventry and Solihull's Green Infrastructure Strategy and the Local Nature Recovery Strategy (in preparation), as well as local strategies.</p> <p>Funds generated from environmental markets and nature-based compensation schemes will be available to support environmental initiatives within the sub-region, specifically those focussing upon enhancing biodiversity and tackling climate change. These will be exclusively natural capital related projects.</p> <p>It is expected that some of the projects delivered on the basis of this Strategy will help to mitigate climate change by sequestering carbon; and to enable our environment to adapt to the changing climate.</p>
<b>Completed By</b>	Nicola Smith
<b>Authorised By</b>	Nicola Smith
<b>Date of Assessment</b>	11/06/24





## SECTION 2: IMPACT ASSESSMENT

Climate Change and Environmental Impacts	No Impact	Positive	Negative	Description of impact	Any actions or mitigation to reduce negative impacts	Action owner	Timescales
Energy usage	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The strategy does not relate to energy usage			
Fleet usage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The strategy does not relate to fleets			
Sustainable Transport/Travel (customers and staff)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The strategy does not relate to sustainable travel			
Sustainable procurement	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	This strategy has been procured by Warwickshire County Council in conjunction with all authorities in the sub region which creates efficiencies and also the pooling of expertise.			Complete
Community leadership	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The Board will allow elected members to be decision makers in how natural capital investment will take place.			Ongoing
Biodiversity and habitats	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The strategy is designed to improve investment in natural capital which will have significant future positive impacts.			Ongoing in accordance with the delivery plan
Adaptation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The strategy is designed to look at how natural			Ongoing in accordance

Climate Change and Environmental Impacts	No Impact	Positive	Negative	Description of impact	Any actions or mitigation to reduce negative impacts	Action owner	Timescales
				capital can complement adaption strategies			with the delivery plan
<b>Impact on other providers/partners</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Working with all relevant partners across the sub-region ensures the positive impacts are felt by all.			Ongoing in accordance with the delivery plan

### **SECTION 3: REVIEW**

Where a negative impact is identified, the proposal and/or implementation can be adapted or changed; meaning there is a need for regular review. This review may also be needed to reflect additional data and evidence for a fuller assessment (proportionate to the decision in question). Please state the agreed review timescale for the identified impacts of the policy implementation or service change.

<b>Review date</b>	<b>June 2025</b>
<b>Key points to be considered through review</b>	<b>Has the NCIP been implemented. Has the Board been established. What are the impacts so far.</b>
<b>Person responsible for review</b>	<b>Climate Change Officer</b>
<b>Authorised by</b>	<b>Nicola Smith</b>

# EQUALITY IMPACT ASSESSMENT (EqIA)

## Context

1. The Public Sector Equality Duty as set out under section 149 of the Equality Act 2010 requires Rugby Borough Council when making decisions to have due regard to the following:
  - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
  - advancing equality of opportunity between people who share a protected characteristic and those who do not,
  - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
  - age
  - disability
  - gender reassignment
  - marriage/civil partnership
  - pregnancy/maternity
  - race
  - religion/belief
  - sex/gender
  - sexual orientation
3. In addition to the above-protected characteristics, you should consider the crosscutting elements of the proposed policy, such as impact on social inequalities and impact on carers who look after older people or people with disabilities as part of this assessment.
4. The Equality Impact Assessment (EqIA) document is a tool that enables RBC to test and analyse the nature and impact of what it is currently doing or is planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. The questions will enable you to record your findings.
6. Where the EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. Once completed and signed off the EqIA will be published online.
8. An EqIA must accompany all **Key Decisions** and **Cabinet Reports**.
9. For further information, refer to the EqIA guidance for staff.
10. For advice and support, contact:  
Aftab Razzaq  
Chief Officer for Legal and Governance  
[aftab.razzaq@rugby.gov.uk](mailto:aftab.razzaq@rugby.gov.uk)  
01788 533521

## Equality Impact Assessment

<b>Service Area</b>	<b>Growth and Investment</b>
<b>Policy/Service being assessed</b>	<b>Natural Capital Investment Strategy</b>
<b>Is this a new or existing policy/service?</b> <b>If existing policy/service please state date of last assessment</b>	<b>New policy</b>
<b>EqlA Review Team – List of members</b>	
<b>Date of this assessment</b>	
<b>Signature of responsible officer (to be signed after the EqlA has been completed)</b>	<b>Aftab Razzaq</b>

**A copy of this Equality Impact Assessment report, including relevant data and information to be forwarded to the Chief Officer for Legal and Governance.**

### Details of Strategy/ Service/ Policy to be analysed

<b><u>Stage 1 – Scoping and Defining</u></b>	
(1) Describe the main aims, objectives and purpose of the Strategy/Service/Policy (or decision)?	The Natural Capital Investment Strategy and Natural Capital Investment Implementation Plan will provide long-term, sustainable funding and income sources to support the delivery of Warwickshire, Coventry and Solihull’s Green Infrastructure Strategy and the Local Nature Recovery Strategy, as well as delivering the aims of the Councils Corporate Strategy and Climate Strategy.
(2) How does it fit with Rugby Borough Council’s Corporate priorities and your service area priorities?	It delivers on Priority Outcome 1 Climate to link places together with good quality green infrastructure and improve biodiversity across the Borough
(3) What are the expected outcomes you are hoping to achieve?	An agreed strategy for the long term support for improvement of natural capital across the Borough and the sub region.
(4) Does or will the policy or decision affect: <ul style="list-style-type: none"> <li>• Customers</li> <li>• Employees</li> <li>• Wider community or groups</li> </ul>	All
<b><u>Stage 2 - Information Gathering</u></b>	As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, e.g. service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).
(1) What does the information tell you about those groups identified?	This is a high level strategy adopted across the sub region.

<p>(2) Have you consulted or involved those groups that are likely to be affected by the strategy/ service/policy you want to implement? If yes, what were their views and how have their views influenced your decision?</p>	<p>No this is a high level strategy across the sub region.</p>		
<p>(3) If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary.</p>	<p>This is a high level strategy adopted across the sub region. To ensure that all residents are impacted equally by the funding benefit from the investment, a sequential mitigation hierarchy similar to that used for Biodiversity Net Gain will be applied to decide where the compensation is to be sited.</p>		
<p><b><u>Stage 3 – Analysis of impact</u></b></p>			
<p>(1) <u>Protected Characteristics</u> From your data and consultations is there any positive, adverse or negative impact identified for any particular group, which could amount to discrimination?  If yes, identify the groups and how they are affected.</p>	<p><b>RACE</b> The outcomes proposed are designed to enhance natural capital across the Borough</p>	<p><b>DISABILITY</b> The outcomes proposed are designed to enhance natural capital across the Borough</p>	<p><b>GENDER</b> The outcomes proposed are designed to enhance natural capital across the Borough</p>
	<p><b>MARRIAGE/CIVIL PARTNERSHIP</b> The outcomes proposed are designed to enhance natural capital across the Borough</p>	<p><b>AGE</b> The outcomes proposed are designed to enhance natural capital across the Borough</p>	<p><b>GENDER REASSIGNMENT</b> The outcomes proposed are designed to enhance natural capital across the Borough</p>



	<b>RELIGION/BELIEF</b> The outcomes proposed are designed to enhance natural capital across the Borough	<b>PREGNANCY MATERNITY</b> The outcomes proposed are designed to enhance natural capital across the Borough	<b>SEXUAL ORIENTATION</b> The outcomes proposed are designed to enhance natural capital across the Borough
(2) <u>Cross cutting themes</u> (a) Are your proposals likely to impact on social inequalities e.g. child poverty, geographically disadvantaged communities? If yes, please explain how?  (b) Are your proposals likely to impact on a carer who looks after older people or people with disabilities? If yes, please explain how?	No	No	No
(3) If there is an adverse impact, can this be justified?			
(4) What actions are going to be taken to reduce or eliminate negative or adverse impact? (This should form part of your action plan under Stage 4.)			
(5) How does the strategy/service/policy contribute to the promotion of equality? If not, what can be done?	To ensure that all residents are impacted equally by the funding benefit from the investment, a sequential mitigation hierarchy similar to that used for Biodiversity Net Gain will be applied to decide where the compensation is to be sited.		
(6) How does the strategy/service/policy promote good relations between groups? If not, what can be done?	The strategy has been jointly commissioned by Warwickshire County Council and surrounding authorities across the sub- region who have all had the opportunity to shape the strategy		

(7) Are there any obvious barriers to accessing the service? If yes how can they be overcome?

This is not a service that would be access directly by residents

**Stage 4 – Action Planning, Review and Monitoring**

If No Further Action is required then go to – Review and Monitoring

(1) Action Planning – Specify any changes or improvements that can be made to the service or policy to mitigate or eradicate negative or adverse impact on specific groups, including resource implications.

**EqlA Action Plan**

Action	Lead Officer	Date for completion	Resource requirements	Comments

(2) Review and Monitoring  
State how and when you will monitor policy and Action Plan

June 2025. This will give time for the NCIIP to be agreed and adopted and the Board set up. It will also allow time for initial schemes to come forward and for funding to be assigned. These schemes can then be evaluated.

Please annotate your policy with the following statement:

**‘An Equality Impact Assessment on this policy was undertaken on (date of assessment) and will be reviewed on (insert review date).’**