

Case Study:

HOW IS LEVELLING UP HELPING TO BUILD NATURAL CAPITAL IN GREATER MANCHESTER?

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ADEPT

The Association of Directors of Environment, Economy, Planning & Transport

INTRODUCTION

The independent, government-commissioned, Dasgupta Review on the Economics of Biodiversity defined natural capital as: “The stock of renewable and non-renewable natural assets (ecosystems) that yield a flow of benefits to people (ecosystem services)”.

Natural capital was not one of the six capitals identified by the Levelling Up White Paper as being important to reducing spatial disparity. The paper acknowledged the importance of natural capital to a thriving economy and society, but noted that there were already well-developed policy strategies in place.

Greater Manchester Combined Authority (GMCA) (comprising 10 Greater Manchester councils) is recognised as a leader in its work to value and invest in enhancing natural capital for the benefit of people and the economy. Known as the ‘Urban Pioneer’, Greater Manchester was one of four places chosen by the government to test approaches to natural capital as part of the development of the 25 Year Environment Plan.

Since then, it has continued to make significant progress, developing and testing practical tools to improve and attract investment to local ecosystem services, including acting as a pilot area for the development of a Local Nature Recovery Strategy.

A major commitment in the government’s [25 Year Environment Plan](#), and enacted by the Environment Act 2021, is the delivery of the [Nature Recovery Network](#), a national network of wildlife-rich places. To deliver this, a new system of spatial strategies for nature (Local Nature Recovery Strategies) is being established together with duties and incentives such as mandatory biodiversity net gain.

Councils across the country are actively seeking to:

- make best use of their natural assets to develop nature-based solutions for adaptation to climate change such as flood risk management
- manage green and public spaces to reduce emissions, capture carbon, and promote biodiversity
- work with partners to promote equitable access to nature and improved mental, physical health and wellbeing

How can the levelling up agenda contribute to work to value and build natural capital? What can we learn from Greater Manchester that might be applicable to other local authorities looking to invest in natural capital as part of their plans for local growth?

THE VISION: VALUING AND INVESTING IN NATURAL CAPITAL

In March 2018, Andy Burnham, the Mayor of Greater Manchester, convened the area's first Green Summit, bringing together contributions from around 4,000 people on climate change and the local environment. Feedback from the summit informed the Greater Manchester 5 Year Environment Plan, which was published in 2019.

The natural environment was one of five challenges highlighted in the 5-year plan, with actions for local authorities and partners to build natural capital into their plans and projects to maximise the value of the local environment.

Greater Manchester also published a Natural Capital Investment Plan setting out potential projects and models for investment. Project types identified as most investable included habitat banks for biodiversity net gain, woodland management, sustainable drainage schemes and peatland restoration.

Alongside this, a set of Natural Capital Accounts and an Ecosystem Services Opportunity Map was created to show the current value provided by Greater Manchester's natural environment as well as a range of opportunities for improving its ecosystem services across Greater Manchester. Each land parcel has its own specific opportunities for improvement.

The work was coordinated by a designated officer working on natural capital. This post was funded by a 10-year EU LIFE Project 'Natural Course', which focuses on improving river catchments, including through strategic and integrated approaches to planning and decision making.

Alongside this work, the EU-funded Ignition project helped to develop tools and evidence bases for the implementation of urban nature-based solutions such as rain gardens, street trees, green roofs and walls.

These tools have supported work to deliver new green infrastructure as part of development projects in Greater Manchester including the Mayfield site, which will provide the first city centre park in 100 years, including river restoration.

In addition, the Far East Consortium, Manchester City Council and partners will invest £1 billion in developing the Northern Gateway, 155 hectares to the north of Manchester City Centre.



WHAT IS HAPPENING NOW?

The Greater Manchester Natural Environment team continue to work with officers in local authorities to identify opportunities to install nature-based solutions as part of local regeneration.

Opportunities for funding come from a range of sources including Section 106, FCERM Grant in Aid, Water Company (United Utilities) Green Recovery Fund, the DEFRA Urban Tree Challenge and the Towns Fund.

GMCA has also committed substantial resources to support the development of the [Greater Manchester Environment Fund](#) (GMEF) as an independent public, private and third sector initiative with the aim of securing more sustained investment in Greater Manchester's natural capital.

The GMEF is being led by Lancashire Wildlife Trust (LWT), which collects and distributes funds for projects within the combined authority area. It incorporates money from the government's Green Recovery Challenge Fund as well as the Natural Environment Investment Readiness Fund (NEIRF). Over time there is an intention to move from philanthropic and public money towards more private sector funding.

Round 2 funding from NEIRF will help to build a pipeline of projects and a mechanism for delivering off site biodiversity net gain – creating a one-stop shop for buyers, investors and sellers of biodiversity units from habitat improvements that will support all local authorities. This will ease the burden on local authorities by providing projects to implement. They will generate funding that can be recycled into the next pipeline of projects.

The Mayor has also recently launched a separate [Green Spaces Fund](#), funded by the Mayoral precept. This provides a source of project funding for community groups or NGOs to improve green spaces. This could be a source of match funding.

Alongside this, seven local authorities in Greater Manchester have been allocated funding as part of the government's Levelling Up Parks Fund including Bolton, Manchester, Oldham, Rochdale, Salford, Tameside and Wigan.

SUCCESS FACTORS

- **Leadership:** the work to value and build natural capital in Greater Manchester was built on effective partnership working with key stakeholders in the area including through the [Combined Authority](#), the 10 local authorities and the Local Nature Partnership.
- **Long-term funding:** the Natural Capital Coordinator Post enabled collaboration across Greater Manchester. This was funded by a 10-year EU LIFE Project 'Natural Course', which focuses on improving river catchments, including through strategic and integrated approaches to planning and decision making. The funding runs to 2024.
- **Collaboration:** Greater Manchester was successful in winning money via the [Green Recovery Challenge Fund](#) (co-ordinated by the LWT) and two rounds of the [Natural Environment Investment Readiness Fund](#).

A factor in Greater Manchester's success at winning funding has been the LWT's work to coordinate joint bids and projects across the local authority areas, and also to leverage in other sources of funding to maintain projects.

Another example of collaboration is the Greater Manchester Ecology Unit ([GMEU](#)). This was established as part of a number of specialised units providing shared services to all 10 councils.

The GMEU provides ecological advice and support on planning applications and policy development. Recently, councils agreed to pool their additional burdens funding for biodiversity net gain to provide additional capacity.



CONSTRAINTS

- **The main constraint to the delivery of natural capital projects is capacity in local authorities**, with shortages in both operational staff as well as project management expertise. Greater Manchester has sought to address this by helping to create a pipeline of projects in line with the wider strategic framework for the environment and nature recovery, supported by evidence and business cases. Some local authorities have been able to lever in health funding to support health and wellbeing initiatives in local parks - for example the [Get Oldham Growing](#) initiative.

LEARNING POINTS

- **The importance of natural capital and the value of ecosystems services:** these should be embedded into the levelling up agenda due to the benefits to people and places.
- **Importance of strong partnership work:** local authorities, private sector and NGOs linking up with communities and the leadership and convening role of the Mayor.
- **Greater Manchester has benefited from a range of funding:** EU-LIFE, government funding via Green Recovery Challenge Fund, NEIRF, Mayoral precept funding. The ability to win funding was supported by partnership work and a clear strategic vision.
- **Greater Manchester is working to address capacity shortages in LAs**, providing a pipeline of projects and clear business cases for investment.
- **Councils need to explore ways to bring in funding** from wider council service areas to recognise the wider benefits that parks and green spaces provide (e.g. Oldham)

LINKS

Greater Manchester 5 Year Environment Plan: [5_year_plan_exec_summ_digital.pdf](#) ([greatermanchester-ca.gov.uk](#))

Greater Manchester Natural Capital Investment Plan: <https://eftec.co.uk/greater-manchester-natural-capital-investment-plan>

ADEPT Policy Position on Climate Change and Green Growth:
<https://www.adeptnet.org.uk/system/files/documents/ADEPT%20CC%26GG%20Policy%20Position%20May%202022.pdf>

Environment Act 2021, HM Government: <https://www.legislation.gov.uk/ukpga/2021/30/contents/enacted>

Final Report - The Economics of Biodiversity: The Dasgupta Review (February 2021. HM Treasury:
<https://www.gov.uk/government/publications/final-report-the-economics-of-biodiversity-the-dasgupta-review>

Levelling Up the United Kingdom (Feb 2022), Department for Levelling Up, Housing and Communities:
<https://www.gov.uk/government/publications/levelling-up-the-united-kingdom>

During 2022, the Association of Directors of Environment, Economy, Planning & Transport led a project to explore how local authorities are levelling up through action to address disparities in multiple domains - public health, local environmental quality, exposure to climate risk and socio-economic deprivation.

This project was in collaboration with the Association of Directors of Adult Social Services, the Association of Directors of Public Health, the Association of Directors of Children's Services and the Local Government Association, recognising the synergies between our work areas, and the links between wellbeing and place.

This case study is one of a series of examples which look at how local authorities are levelling up, across service areas.

- ADEPT members are the place-making strategists and policy shapers across top tier local authority areas
- ADEPT members are specialists, delivering services and sharing best practice across key sectors including environment, planning, housing, transport and economy
- ADEPT members design strategies for the future, taking communities beyond 2035
- ADEPT members operate in networks, cutting through boundaries to work with partners across the political, public, private and community sectors
- ADEPT members provide opportunities to develop new talent, supporting the place directors of tomorrow

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