Research summary 16: Delivering, measuring and demonstrating the economic contribution of the natural environment at a project level

'As we enter a period of fiscal restraint, it is more important than ever that environmental practitioners maximise the social and economic impact of their work as well as its environmental benefits. They need to make a persuasive case for investing economic development and regeneration funds in projects, in addition to environmental budgets.'

Key messages

- The need to consider the environment and ecosystem services when making decisions about developments is implicit in a huge range of policies at national, regional and local level.
- Pressures on funding increase the need for environment projects to demonstrate clearly how they can deliver economic benefits.
- A range of increasingly sophisticated research tools is available for environment practitioners to demonstrate the socio-economic advantages of their projects.
- There are also many opportunities to form partnerships on social and economic issues within the public, private and voluntary sectors.
- When a project can demonstrate social and economic benefits alongside environmental outputs, the potential funding sources available increase significantly.

The context

Our understanding of the economic benefits of conserving and improving environmental quality has increased significantly in recent years. Taking proper care of the environment can **attract people and investment** into a region. In addition, physical and environmental improvements lie at the centre of many economic and community regeneration programmes.

Natural Economy Northwest (NENW) has identified 11 distinct economic benefits arising from green infrastructure (see Research Summary 1). In addition, the Government's UK Sustainable Development Strategy sets out five guiding principles of sustainable development that lay the foundation for considering social, economic and environmental factors together.

On top of this, national, regional, sub-regional and local policies (including the Northwest's Regional Economic and Spatial Strategies) all promote green infrastructure (GI). Numerous documents relating to strategy and policy at national level implicitly recognise that there are many priorities that may be delivered through GI.

This is illustrated in a new **guide[1] for environmental project managers**, which includes a table that takes each of NENW's 11 GI economic benefits and shows how they link to different policy and strategy objectives.

When considering these issues, it is important to grasp that green infrastructure is 'multifunctional'. For example, planting trees to improve a city centre may not only encourage tourism and make shopping more pleasant; such a measure might also increase biodiversity, help to mitigate the effects of storm water run-off and minimise heat concentrations in urban areas.

The advice

The guide recognises that environmental project managers may be unaware of the potential for their projects to deliver **socio-economic benefits**. Equally, socio-economic funders may not know how natural environment projects can help to achieve social and economic objectives. Environmental specialists should examine four key considerations to show how their projects fit strategically with socio-economic objectives. The considerations are:

1. What are the socio-economic benefits that the project can deliver?
2. Is there a socio-economic need for the project?
3. What is the project's 'strategic fit'?
4. Who can help deliver the project?

To demonstrate the socio-economic benefits of a project, managers need access to **comprehensive data** from across the economic, social and environmental spectrum. One tool for this is the Public Benefit Recording System (PBRS). Based on Geographic Information System (GIS) technology, the PBRS uses datasets from a wide range of sources to map and analyse areas of significant need. It can measure the quality of landscapes and habitats and

can be used alongside indices of deprivation to inform decisions about how to maximise socio-economic return on investment.

Recognising that the PBRS is a complex tool, the guide also lists other sources of information that can easily be accessed and used to provide evidence of socio-economic benefit. These include the 2001 Census, for example.

Another useful aid is the Green Infrastructure Valuation Toolkit. The toolkit, which is still in development, aims to tackle the problems of putting an objective value on social and environmental activities, and of proving their economic worth. It will use recognised valuation techniques to assess the potential economic benefits of a GI project. Examples from the draft kit are included in an appendix.

One of the most important questions for environment practitioners is 'Who can help deliver the project?' Research on GI has stressed the importance of establishing **partnerships** to plan, design and implement projects. As environmental practitioners gain understanding of the socio-economic benefits and broader strategic fit of their project, they will find themselves directed towards partners who can provide the political, practical and financial means for project delivery. These are likely to include the body that 'owns' the strategies or policies most closely aligned to the project.

In practice

The guide includes a series of **case studies** to illustrate how environmental outcomes can be successfully and demonstrably delivered alongside social and economic benefits. For example, Newlands is a £59m scheme to reclaim derelict land in the Northwest and transform it into community woodland. The PBRS 'scored' individual sites against a wide range of criteria within economic, social, environmental and access categories, making it possible to prioritise areas for action out of a list of 3,800 sites.

Another study looks at roof greening in Greater Manchester. With many policies stressing the need to reduce carbon emissions and plan to mitigate the effects of climate change, this case study begins to provide an evidence base to demonstrate how green roofs can support these policies.

Environmental improvements at Dutton Park, Merseyside, were achieved by offering 61 work placements to people facing barriers to employment. These included nine supported placements that offered an alternative to traditional council day services. Organisers used cost per attendance figures from the Department of Health to calculate that they were saving the local authority up to £1,000 a day.

Finally, a third appendix lists possible sources of funding for environment projects that can demonstrate socio-economic benefits.

Find out more

Natural Economy Northwest
www.naturaleconomynorthwest.co.uk

Natural England
www.naturalengland.org.uk

The Northwest Green Infrastructure Guide
www.greeninfrastructurenw.co.uk

UK Sustainable Development Strategy
www.defra.gov.uk/sustainable/government

Public Benefit Recording System
www.pbrs.co.uk

Newlands
www.forestry.gov.uk/newlands

[1] *How to Deliver, Measure and Demonstrate the Economic Contribution of the Natural Environment at a Project Level: A guide for project managers.* **http://www.naturaleconomynorthwest.co.uk/resources+reports.php**

Local schoolchildren play their part in creating the Newlands scheme at Moston Vale, Manchester.