

# PRESS RELEASE

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## BCM'S WEBINAR SERIES BEGIN WITH "NATURAL CAPITAL"



On 9<sup>th</sup> June 2020, Oliver Cooper, Associate at BCM Rural Property Specialists in Merstone, hosted a webinar discussing 'Natural Capital: How will it fundamentally alter farming and land management in the UK'.

Oliver was joined by guest speakers Harry Greenfield, Senior Land Policy Advisor at CLA and Jamie Marsh, Senior Reserves Manager at HIWWT. The webinar was well attended with 67 registrations and a Q&A session followed the discussion with accompanying slides.

"The Government have valued the UK's Natural Capital at nearing £1 trillion, but is it another buzz word from the ministry, old ideas with a new spin or something worth paying attention to?" explains Oliver Cooper.

"Farmers and land owners as well as developers and businesses will all have a stake in off-setting, trading and mitigating pollution and it should not be ignored.

"Natural Capital, along with "public money for public goods" and Ecosystem Services are phrases that form the foundations of the government's future payments to farmers and land managers. Perhaps more importantly it also forms the basis for emerging private sector markets, which are likely to dwarf those coming from a shrinking DEFRA budget in the post Brexit/Covid landscape.

"Natural Capital can be described as the balance of the land's natural resources (e.g. soil, water, biodiversity), whilst Ecosystem Services are the benefits provided by the Natural Capital (e.g. retaining moisture in uncompacted soil or pollination). As with all assets the value of the Natural Capital is derived from the value attributed to the benefits it provides. Some of the Ecosystem Services provided by the Natural Capital have a marketable aspect (e.g. food produced from nutritious soil), whilst others have no existing market (e.g. the landscape of an area) and others only provide a supporting role (e.g. pollination).

"Although there are some elements of Natural Capital which can already access payments through marketable products (food, timber, water) or guarantees (carbon trading), it is the intention of the Government to facilitate more markets. One of the key tools is the Polluter Pays Principle, which is intended to rebalance the societal costs



of pollution (or damage to the environment) on those who cause the damage. This will create an opportunity for unavoidable pollution to be mitigated by others, where Natural Capital and the Ecosystem Services they provide will be the tradeable element.

“In practice there are already developing markets for carbon trading, which the Government has sought to support through the Woodland Carbon Guarantee. More significantly markets are emerging to meet the planning requirements for new development, thus creating a flow of funds from development into landscape protection. This aspect of trading is expected to grow significantly, and we will see more demand for “Private Environmental Agreements”.

“The imaginatively titled New Environmental Land Management Scheme (NELMS) is the flagship Natural England scheme to replace both Countryside Stewardship Schemes and Basic Payment Scheme. It is based around the principle of “Public Money for Public Goods”. The public goods are classified as Ecosystem Services that provide a benefit to the public. This will include benefits to the landscape, wildlife and climate. As a Natural Capital approach, the payments are linked to value attached to the public benefits, but with a shrinking DEFRA budget the payments are unlikely to exceed previous agri-environment schemes.

“Understanding the value of the Natural Capital on land will be of increasing importance as both public and private funds seek to secure ecosystem services on valuable long-term contracts.”

As experts in rural property, planning, development and farm management, BCM are well placed to evaluate, value and identify markets for Natural Capital.

A recording of the webinar can be found at <https://vimeo.com/428031705?activityReferer=1>

For more information on the next series of BCM hosted webinars with guest speakers, contact [iow@bcm.co.uk](mailto:iow@bcm.co.uk)

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