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SEC Joint Committee	
Report Title: Climate & Environment Workstream Update	
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Programme Implementation Director: n/a	
Accountable Programme SRO: Angela Hutchings	
This report is public	

Executive Summary

This report provides an update on the work of the Climate & Environment Workstream and the SEEPark project.

1. Recommendation(s)

- 1.1 To note the contents of the report; and
- 1.2 To include the monetisation of SEEPark within the scope of the Economic Growth Plan

2. Progress Update

- 2.1 This report follows on from the update report produced to the Joint Committee on 28 September 2023. Detailed background can be gleaned from that report.
- 2.2 At the meeting of 28 September 2023, the Joint Committee agreed to commit to the release of 1 day FTE per calendar month per authority towards the operational work to be undertaken by the Climate & Environment Workstream (the "Workstream").
- 2.3 The following have been agreed as projects for the Workstream:
 - a. "Green" waste fleet options:
Reason for exploring:
 - i. Breadth of application/relevance as a statutory service waste collection is common to all SEC authorities, accepting that Essex, SCC and Thurrock have disposal duties also and that SCC is currently out to procurement and so its ability to participate may be limited
 - ii. Reducing carbon in the fleet will go a significant way to hitting net zero targets

- iii. Acknowledging that this is emerging technology and learning/funding/procurement opportunities should be shared and explored collectively

Current status:

Data on the current level of diesel use for all authorities is being collated to understand the level of consumption from each authority's vehicles. Rochford DC has now agreed to move to Hydrotreated Vegetable Oil (HVO), which significantly reduces carbon emissions without the need to change the engine. Data will be available soon on the carbon reduction that is being achieved and the cost implications for change. We are also gathering data on fuel storage for each authority to understand the capacity across SEC. This should be completed by the end of February. Once data is collated, we will be soft market testing the possibility of a joint procurement, driving a more competitive rate given that the HVO is a higher cost per litre. A longer term view for consideration is the modernised depots that will be needed as HVO is a medium term fix. Diesel engines will eventually be obsolete and the infrastructure for electric or hydrogen will be an issue that we would want to work on jointly.

- b. Retrofit and green skills:

Reason for exploring:

- i. Application to social housing stock as well as private sector and public buildings
- ii. Links to business and growth aspirations of SEC

Current status:

The retrofit project team has had a number of discussions around the retrofit market and what we can do to facilitate momentum/continue to build skills in the system at south Essex level. There has already been a significant piece of work between Essex County Council and the Retrofit Academy, working with the district authorities to promote free training to support PAS 2035 rollout (training Levels 2-5). There is no additional funding to support this, and discussions with DLO/contractors indicates that the need for a supply of staff resource with appropriate retrofit skills is recognised and being managed. Whilst this issue is not fully resolved, this element of green skills does appear to be building some momentum through partnership working. The "able to pay" market is potentially more challenging in terms of the ability of homeowners to make informed choices about the need for retrofit, the benefits it brings and navigating through a market which is confusing to

say the least. A number of SEC authorities are undertaking local retrofit projects, either as part of social housing decarbonisation funded projects or Passivhaus (or similar) pilots, potentially providing a physical resource to showcase the benefits of retrofit/build to green standards and dispel some of the myths. It is proposed that the retrofit workstream look to:

- Explore the opportunities available from current projects to engage with 'able to pay' residents as well as those who may benefit from grant funded works
- Create synergies across South Essex through a shared view of planning policy in relation to home improvements particularly, incorporating retrofit as the norm
- Learn from other schemes, e.g. Ecofurb/Parity to understand whether there is an opportunity to replicate a similar scheme within SEC

c. SEEPark and BNG:

Reason for exploring:

- i. To ensure the work undertaken by SEC in the SEEPark concept thus far is not lost or wasted
- ii. To develop thinking and gather intelligence around the application of BNG which will be relevant not just to SEEPark but to all SEC authorities

Current status: see below

2.4 The Workstream is an example of sharing specialist resource to build a community of experts who can share best practice and working together achieve more than the sum of their parts. Going forward is it intended that the Workstream will support the outcomes of the New Chapter work and the Economic Growth Plan.

3. SEEPark

Background

- 3.1 The concept of the South Essex Estuary Park (SEEPark) was conceived from a multi award-winning South Essex Green Blue Infrastructure Study, commissioned by ASELA in 2019.
- 3.2 SEEPark is not an actual "park" within the usual understanding of that word. it is a green/ blue vision which places nature at the centre of a South Essex place-based transformation journey to ensure that our unique natural environment offers place-making benefits that deliver for the region socially, environmentally and economically.

- **Socially**, by providing better access to green space, positively supporting health and wellbeing and encouraging connected active travel networks.
 - **Environmentally**, by mitigating climate change and flooding by creating adaptive landscapes, delivering 24,000 hectares of connected and protected landscapes and enhancing biodiversity.
 - **Economically**, by enabling sustainable development, increasing eco-tourism, encouraging and promoting green-tech jobs and providing private sector the opportunity to carbon-offset at scale.
- 3.3 If fully realised, SEEPark will protect, link and nurture 5 varied landscapes¹ covering 24,000 hectares across South Essex. Those areas already contain existing initiatives that are starting to deliver large scale landscape and habitat improvements but the vision is that SEEPark will connect them, thus creating:
- a) A high-quality green space within 500m of every front door or workplace, starting with new developments and re-developments
 - b) 175 km of connected walk and cycle routes, including a continuous 70km coastal path from Tilbury Fort to Shoeburyness
 - c) 2,500 hectares of enhanced park and recreational areas
 - d) 4,500 hectares of woodlands and grasslands
 - e) 7,500 hectares of marshland and wetlands
 - f) 8,500 hectares of improved agriculture and semi-natural green space
 - g) 1,000 hectares of golf courses with potential for habitat enhancement
- 3.4 A Business Case has been developed that sets out how SEEPark could be planned, co-ordinated and delivered over a large number of phases with a wide range of partners. Phases are aligned to 2030 delivery and 2050 delivery. It is no understatement to say that significant capital and revenue funding would be required. The table below provides a sample of priority grant funding sources identified by the Business Case as being available.

¹ Central Thames Marshland Pathfinder, Mardyke Valley, Brentwood Parklands, Island Wetlands, Central Arc

A Sample of Priority Grant Funding Sources Available - 2030

Costs to 2030 (£000)			
Five Major Landscapes	Landscape Enhancement Costs	Maintenance Costs	Funding Sources*
Brentwood Parklands	5,112	239	National Highways DfA Environment Trees for Climate National Lottery Communities/Heritage Fund DEFRA Nature Recovery Scheme
Mardyke Valley	1,530	30	National Highways DfA Environment Sport England Lottery Funding Trees for Climate Programme South Essex Catchment Partnership
Central Thames Marshland	8,174	426	National Highways DfA Communities Natural Environment Impact Fund DEFRA Nature Recovery Scheme EA Flood and Coastal Erosion RMS
Woodland Arc	4,335	239	National Highways Community Fund DEFRA Nature Recovery Scheme Essex Forestry Initiative National Lottery Communities Fund
Island Wetlands	7,864	511	Natural Capital for Climate Natural Environment Impact Fund DEFRA Nature Recovery Scheme EA Flood and Coastal Resilience IP
TOTAL	27,015	1,445	

*Costs are shown as overall totals for the entire period

This list is not exhaustive and only provides a sample of funding routes, they will also be subject to further approval processes.

A Sample of Proposed 2030 - 2050 Grant Funding Sources

Costs 2030 to 2050 (£000)			
Five Major Landscapes	Landscape Enhancement Costs	Maintenance Costs	Funding Sources*
Brentwood Parklands	15,709	1,347	Sport England Lottery, Trees for Climate, Woodland Creation Planning Grant National Lottery Communities/Heritage Grant
Mardyke Valley	27,189	1,963	National Highways DfA Environment Sport England Lottery Funding Trees for Climate Programme South Essex Catchment Partnership
Central Thames Marshland	2,725	1,543	SELEP Sector Support Fund BIFFA Award (Recreation) Essex Forestry Initiative National Lottery Communities Initiative
Woodland Arc	14,601	4,778	National Highways Community Fund Natural Environment Impact Fund DEFRA Nature Recovery Scheme Woodland Creation Planning Grant
Island Wetlands	83,086	3,866	Natural Capital for Climate Natural Environment Impact Fund DEFRA Nature Recovery Scheme EA Flood and Coastal Resilience IP
TOTAL	143,310	13,497	

- 3.5 The Business Case outlines a funding strategy which is broadly based on a blend of partners' core funding, grants and other external funding options including through s106/CIL contributions. The Joint Committee has long been concerned about the feasibility of funding SEEPark given the cost and the fact that in any event, the SEC authorities own less than 10% of the land holdings within the redline of SEEPark so we could never deliver this alone. Put simply, even the resource required to pursue the proposed funding strategy would be considerable.
- 3.6 The Business Case does recognise that green finance will become more and more mainstream as the market develops and therefore, the possibility that SEEPark could be developed as a source of investment income. Recent developments in Bio-diversity Net Gain (BNG) and opportunities arising from other green financing puts a new spin on potential funding routes for SEEPARK and elevates it from a traditional grant funded, land assembly project into something potentially game changing. See table below.

Produced at: February 2022	Valuation metric	Value to Businesses (£m)	Value to the rest of society (£m)	Total (£m)
Asset values (monetised)				
Food provision	Gross margin of arable food production	90		290
	Gross margin of livestock production	13		13
Renewable energy	Resource rent value of onshore wind energy generation	5		5
Carbon sequestration	Value of CO ₂ e sequestered by habitats		330	330
	Value of CO ₂ e emitted by livestock		(41)	(41)
Air quality regulation	Value of PM2.5 removed by woodland		379	379
Recreation	Welfare value of recreational visits		3,080	3,080
Physical health	Avoided medical treatment costs		1,670	1,670
Tourism	Expenditure by domestic overnight stays attributed to nature	1,321		1,321
Water quality	Welfare value of avoiding deterioration in lakes, transitional waters, and coastal waters		48	48
	Welfare value of avoiding deterioration in rivers		123	123
Total gross asset value	Mix of values	1,629	5,589	7,219
Asset values (non-monetised)				
Biodiversity	Total area of SSSIs: 15,968 ha			
	Total area of Local Wildlife Sites: 4,830 ha			
	Total area of Local Nature Reserves: 1,384 ha			
	Total area of The Royal Society for the Protection of Birds Reserve: 1,820 ha			
	Total area of Special Protection Area: 14,222 ha			
	Total area of Special Areas of Conservation: 11,470 ha			
	Total area of RAMSAR sites: 14,222 ha			

Where we are now

3.7 The SRO for the Climate & Environment workstream has been working with Essex County Council and Thames Estuary Growth Board (TEGB), who in turn are working with a private equity investor to explore the potential for SEEPARK as an investible proposition. The market is very new and so providing assurance and clarity to potential investors is fundamental to establishing the “pitch”. To be clear, this is not about SEC authorities assembling the funds to do this ourselves, but more about us as convenors of place, creating brokerage and partnerships which will achieve the outcomes; in the same way as SEC facilitated SEATS, for example.

- 3.8 The challenge is framing SEEPARK as an investible proposition which is attractive to investors and has replicability to create a sustainable pipeline of investment and return in order to realise the ambition of SEEPARK in the long term creation, definition and stewardship of the 5 landscapes. Capitalising on carbon capture is an existing business model, but doing that for biodiversity units as well at the scale of SEEPark projects is unique. That provides huge opportunity, but is also challenging as there isn't a straightforward existing playbook to do it.
- 3.9 There is some learning to be had from the Defra Landscape Recovery Scheme² process and the work of the Essex Climate Action Commission. Equally there is learning to be derived from Essex Net Zero Innovation Futures³ which aimed to unlock public and private investment in natural capital.
- 3.10 TEGB and its private sector investor are keen to explore this further but the immaturity of the market and the lack of clarity from Government around BNG means that we are pushing at new boundaries. TEGB confirms that getting the right structure in place is vital and that there are investors looking to explore this emerging market but that we need to be influencing government to get the clarity that is needed. TEGB is working with other private organisations in the BNG space and is now positioning itself to take an estuary wide approach to the issue.
- 3.11 Put simply if SEC wants to see the promise of SEEPark realised, it is necessary to invest in the work to create SEEPARK as an investment proposition. If we cannot find a way to unlock the potential of SEEPARK, it will not happen. We can embed principles in local plan making (provided of course, that SEC authorities agree) but we cannot be dynamically proactive in bringing it to life.
- 3.12 Submitting an application to Defra's next round of LRS in 2024 is an option, but that needs seed funding itself and with no guarantee of success and will only relate to one of the 5 landscapes. Similarly, a bid for the Forest for the Nation⁴ might be possible. As part of the "Next Chapter" work for SEC, we will be working with external consultants to produce a report detailing expert guidance, recommendations, and management support, to develop and implement a South Essex Economic Growth Plan for Action and support the commencement of its implementation. The monetisation of SEEPARK should be included as part of that Economic Growth Plan to partner alongside TEGB

² [Landscape Recovery: round two - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/landscape-recovery-round-two)

³

<https://admin.essexruralpartnership.org.uk/public/uploads/all/zfQZJ934YWwf4Pt9Q3Etic1iltUwQ1RoTO3tXlg0.pdf>

⁴ <https://www.gov.uk/government/publications/forest-for-the-nation-competition>

and government to develop the investment proposition and build market confidence.

4. Next Steps

- 4.1 The Workstream continues to self-organise and work on projects from which all SEC authorities will benefit. The Workstream remains available to undertake work commissioned by other workstreams and contact should be made via the SRO.
- 4.2 TEGB has indicated that is committed to developing the 'Green Finance Platform' which will be able to support projects like SEEPark by bringing private money to these projects in a way that creates benefits for both public and private sector. TEGB views SEEPark as potentially the first project within that 'Green Finance Platform' and we would like to partner together and find the right solution for the project to bring it into the investable position. We don't have the answer yet, but we are keen to work on this together and investigate the different options:
- a) *Government funding* – there isn't clarity currently when that funding opens up again in the election year. However, it isn't expected (currently) that the biodiversity units being created would be required for the statutory 'pot'. The project/land owners can decide how they use it.
 - b) *Private investment* – according to investors active in this space there is an appetite for these type of good project by the private sector, but it has to be at the stage of being investable. There could be ways to bring forward a seed-investment from the private sector, but it will require selecting the long term partners/investors for the scheme and creating the structure for this at this stage.
 - c) *Thames Freeport*– can the Freeport provide some private sector leadership in this space? This needs to be investigated further.

5. Reasons for Recommendation

- 5.1 The opportunity exists to partner with TEGB to develop further certainty/ information/ clarity around green finance projects and how those can be made more mainstream such that they would create an attractive pipeline of investment opportunities. If SEC creates an investment proposition around the vision and concept of SEEPark and that forms part of its Economic Growth Plan for the sub-region, not only is there greater certainty around delivery but also around the stewardship. If we do not pursue this opportunity, SEEPark is not capable of delivery in its totality by traditional means.

6. Consultation (if applicable) - N/A

7. Impact on policies, priorities, performance and community impact (if applicable) - N/A



At this stage all the work of the Workstream has potential impact on policies of individual SEC authorities. If the recommendation for SEEPark is accepted, then that work will go to the heart of the Economic Growth Plan.

8. Implications

- 8.1. **Financial** – .none at this time. All work undertaken in the Workstream is in kind.
- 8.2. **Legal** – none.
- 8.3. **Other implications (where significant)** – N/A

9. Appendices to the report – Slides