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**Defra supported PES pilot project
Canal & River Trust**

Practical Experiences with PES
Town Hall, Manchester
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Overview

- Objectives of the project
- Background & context
- Method
- Case Studies
- Overall findings
- Lessons & legacy

Objectives of the project

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- Investigate the potential for development of PES mechanisms relating to Ecosystem Services provided by the Trust's inland waterways
 - Improve understanding of the current value & scope of the ES (habitat, water quality, water resources & recreation) provided
 - Examine how a PES scheme could deliver improvements to ES in future
 - Identify & evaluate current & future beneficiaries & demand for these ES
 - Evaluate existing & new potential payment mechanisms
 - Evaluate communication methods to raise awareness amongst beneficiaries
 - Examine the feasibility of establishing a PES scheme across the wider canal & river network
 - Test whether charitable status for public services assists in the establishment & sustainability of the PES approach.

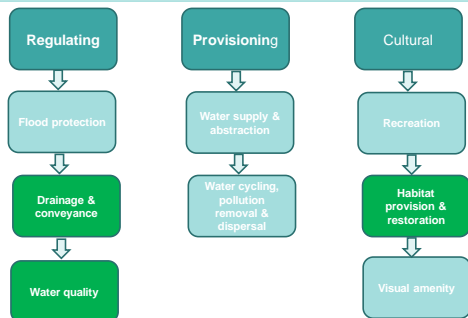
Background & context

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- Project commenced October 2012; final report currently being finalised
- Project partners - Canal & River Trust (100% in kind support), JBA Consulting, Penny Anderson Associates (plus MSc student)
- Project Board - Canal & River Trust, Defra, Environment Agency, Natural England, Leeds City Region LEP, Aire Rivers Trust
- Canal & River Trust established as charitable trust in 2012 – taken over responsibilities of previous British Waterways.
- Building on Jacob's research – Valuing the benefits of inland waterways
 - ES provided: recreation, land drainage, flood protection, water supply, waste disposal, energy generation, carbon storage, heritage preservation & nature conservation. Valued at £500m
- This pilot study concerned with investigating potential PES mechanisms to support Trust activities in maintaining & enhancing ES

Relevant Ecosystem Services

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Method

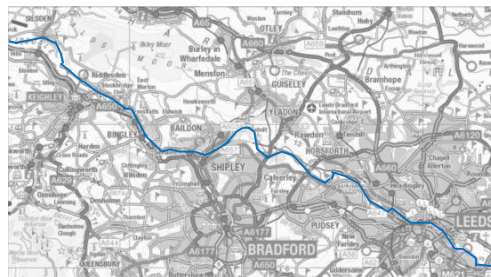
Method – 3 stages

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- 1) Desk based review of ES/PES literature including other research, best practice examples, guidance & information from 1st Round Pilot Studies (September - December 2012)
- 2) Pilot study along the Leeds-Liverpool Canal/Aire & Calder Navigation consisting of the following (January - June 2013)
 - Development of approach & identification of case studies
 - Individual case study investigation
 - Identification of potential PES mechanisms & stakeholder consultation
- 3) Development of recommendations for future development of PES on inland waterways (July - September 2013)

Case Study Pilot Area – Leeds-Liverpool Canal/Aire & Calder Navigation

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Case Studies

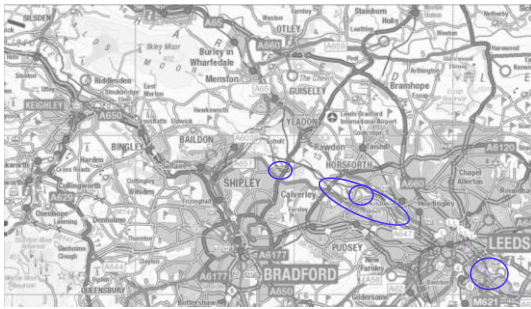
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Identification of Case Study Locations

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- Initially intended to study full length of canal from Leeds City Centre to rural Silsden, but would require excessive resources, agreed 4 locations would highlight key issues & be replicable elsewhere
- Final locations selected:
 - **Apperley Bridge**: multiple ES in one location, varied environmental issues, investigated beneficiary attitudes and willingness to pay
 - **Leeds-Liverpool Canal SSSI**: habitat related ES & potential for improvement, investigated potential impact of 3rd party land management practices.
 - **Pollard Lane**: visual amenity example, investigated influence of canal on property premiums beyond the immediate waterfront
 - **Knostrop Cut**: recreational & visual amenity example, investigated potential for obtaining funding through planning instruments. (Aire & Calder)

Case Study locations



Case study approach



- The case studies focused on addressing the following key questions:
 - What ES does the Leeds-Liverpool Canal provide, supported by the activities of the Trust?
 - How much do these activities cost the Trust?
 - Who is currently paying for them?
 - Who is benefiting from the ES & the Trust's role in supporting them?
 - Are these beneficiaries willing to pay for the ES provided by the canal?
 - What mechanisms could be used to obtain payment?
 - How are the proposed PES mechanisms best communicated to stakeholders?

Apperley Bridge



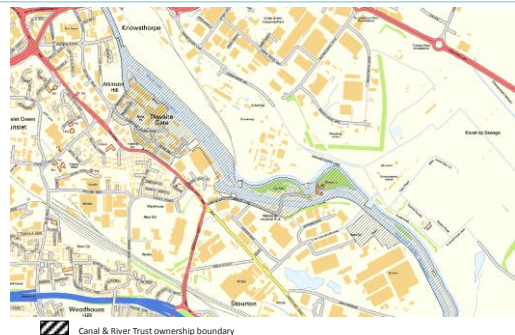
Leeds-Liverpool Canal SSSI



Pollard Lane



Knostrop Cut





Overall conclusions

Overall conclusions



- Most suitable PES mechanisms for inland waterways:
 - S.106 & CIL, agri-environment schemes, catchment management funding
 - Impact of change to charitable trust
 - Broad objects make it difficult to assess additionality, but increased opportunities to secure funding
 - Mechanisms identified may be more 'PES-like' than true PES
 - Defra Best Practice Guide suggests few existing schemes fulfil all PES principles & still provide potential additional income for the Trust
 - Recognition that ES generated in bundles & can potentially conflict e.g. recreation v water quality
 - Communicating EA & PES – difficult to engage local stakeholders
 - Willingness to pay – generally low if no additional incentive
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Lessons & legacy

Lessons & legacy



- Raised awareness within the Trust of potential sources of additional income
 - Trust keen to capitalise upon conventional mechanisms (e.g. planning instruments) before investigating more innovative approaches
 - Recommendations for Trust
 - Engage with LPAs to maximise potential funding via planning instruments
 - Develop baseline to obtain a clear assessment of current ES provision
 - Additional research to investigate potential funding opportunities via agri-environment, catchment management & potential unexpected effects
 - Observations for Defra
 - Continued work aligning environmental stewardship with PES welcomed
 - Provide balance in promotion of tried & tested v innovative approaches
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