

Pilot Natural Capital Land Management Case Studies Consultancy Brief – Invitation to Quote

1 Introduction

Forest Enterprise (FE) is England's largest land owner and manages 250,000ha of public woods and forests to deliver a triple bottom line of benefit for people, nature and the economy. Our land holding is referred to as the public forest estate (PFE), and is organised into 6 Districts (North, Yorkshire, Central, East, South and South West) and Westonbirt, the National Arboretum. Our national office is in Bristol, our turnover is £90m pa and 75% of our income is generated by our activities, predominantly timber sales and recreation income.

We have developed a natural capital account (NCA) for the whole organisation to help us understand whether, overall, we are improving the net natural capital value of the assets entrusted to our care. Our first NCA was published for 2015/16, and it was repeated at the end of 2016/17. We intend this to be an annual occurrence, with the aspiration that every year the NCA will become more complete and more informative about the value of the assets we are custodians of.

2 Aim of this Pilot

We are interested in understanding whether a natural capital approach can help us with the day-to-day land management decisions we make. This is because it is these decisions that add up to the larger whole of how we manage the estate, and that - cumulatively - impact on our overall net natural capital value.

We plan to test this by undertaking two pilot studies.

Our aim for the two pilot case studies: To establish whether quantifying the natural capital benefits of different approaches to a specific area of land can help FE managers make decisions about which approach to adopt.

We'd like to achieve the following outputs from this work:

- A deliverable in relation to the case studies that illustrates the net natural capital benefits of the options under consideration. This should include a breakdown of the natural capital costs and the natural capital benefits.

The deliverable might be very succinct, e.g. a table and explanatory notes, with supporting excel model.

- Buy in from the District team to the work, and their use of it, and their engagement in recommendations for what could be developed to make the approach more useful to them. The District staff involved should end the process with the confidence to apply the approach to other sites within their District.
- An approach and methodology that has been piloted during this process and can be used to consider other land management projects across the PFE, including those with different characteristics to the specific case studies used.
- A step-by-step guide to that approach and methodology that can be rolled out to other areas of land with different characteristics, i.e. follow on case studies, either with or without consultancy support.

3 Methodology

We don't want to be too prescriptive about the methodology and approach, and are open to inputs from consultants as to the best way to deliver it. However we do have a modest budget for this work, and so the following information / proposed approach is intended to allow for the cost efficient delivery of the work.

3.1 Stage 1: Identification of two case study sites.

We have already done this work internally. The two sites selected are an addition to the Thames Chase Community Forest and an area of agricultural land within Kielder Forest in Northumberland. More detail about these two sites is included at Appendix 1 and 2.

We identified these sites using the following approach:

- We identified a long list of potential case studies. These included woodland creation through planting; woodland creation through allowing open space to revert to woodland naturally; adapting the species structure; undertaking landscape scale changes with partner land owners; undertaking landscape scale changes on our land; introducing a forest holiday cabin site; adapting habitats for wildlife and habitat connectivity; changing ownership of land from leasehold to freehold and increasing recreation access.
- We considered the long list against four criteria:
 - Project importance – either at district level, or as an example that would be of interest nationally.
 - Use as a pilot – will the proposed options lend themselves to generating results that are visibly different and informative. A case study that has finely nuanced options might be interesting to understand, but would not necessarily communicate well internally or externally. This visibility of results needs to take into account the natural capital benefits that can be quantified and monetised at present.

- Proximity of decision making – will we be able to say that a decision has been informed by this work.
- Contentiousness – would the project become mired in difficulties because of stakeholder interest or the outputs be seen as fuelling unhelpful debate.
- In most of the proposed case studies there are only 1 or 2 realistic alternative options to the status quo for the land management being considered. We don't want to encourage 'fantasy' options for their own sake; we want to keep this exercise grounded in real choices the District team will be making.
 - We therefore moved from considering one case study site to considering that two similar case studies on sites with very different characteristics would essentially be replicating the same project and therefore be cost effective, with the additional benefit of allowing an interesting contrast between the site results.
 - We're open to the two case studies being run concurrently or in sequence, whichever approach a consultant feels would be best.

3.2 Stage 2: Delivering the Case Studies

This is the stage of work we need external support to deliver. This external support is required because the strategy and insight team don't have the time to go out to the District and support their staff through the process of identifying which elements of natural capital can be applied to their site (which includes explaining and helping District staff to understand what does and doesn't fall under the natural capital umbrella) and then gathering the data (all of which we anticipate to be available through FE or wider FC family sources), and undertaking the assessment.

The bulk of the time required, we anticipate, is in supporting the gathering of data and coalescing it into the deliverable.

Very simply we want someone to:

- Work with the District staff to identify in detail what the potential management option(s) is/are for the site.

As noted elsewhere we do not want options to be generated just for the sake of this exercise, and there are some clear District team views on what options they are considering. So the number of significantly different options for each site is expected to be low, and may in one case study be simply the status quo or 1 alternative. However we do want this pilot work to discuss and check what options are viable and would meaningfully inform the management decisions ahead, and then help tie down exactly what those option(s) will include.

- Identify the data required and support the district staff in providing that, or requesting it from the national team.
 - The consultant will coordinate the gathering of the data, and capture and organise that data for the case study.

- We know how we gather data for the national NCA, and where/how that data can be accessed. This work is about identifying which of those NCA data sets can be reduced to the geographic size of the case study; whether there are other data sets we have available that don't scale up to the NCA but that are available for a case study of this size; whether there is other information the District team needs to provide from its expert knowledge of the area (e.g. an estimate of number of visits to the site). All of this draws on data and knowledge available within the FE district team, the national team, or its family members (Forest Services, FC Corporate Services, Forest Research).
 - Intelligence needs to be applied to the methodologies for generating this data at site level that reflects the proposed option benefits/costs, but that avoids potential future double counting and so will be robust in application to more sites after this pilot. This will require more thought in some areas, e.g. visitor numbers, than others e.g. carbon sequestration.
 - There is potential for the consultant to add value through their knowledge of what other publically accessible data sets are available at this local scale (if any) and could be drawn on to support the case study.
- Create the tables/reports required to produce a natural capital assessment of the option(s).
 - Create the deliverable that spells out the step-by-step process that they've just gone through.

Some additional thoughts on what the work does/doesn't/might include:

- We do not expect this to include the financial cost and income of the options. The District team have their own existing business planning and investment assessment process.
- We have considerable geographic information system capability in house, and district staff / national staff will be able to undertake any GIS activity required by the project. We consider it's desirable that they should do this not only to reduce the call on consultant resources, but because this will be an important element of replicating the case study elsewhere in the district/nationally.
- We're not envisaging that this work involves consultation with external stakeholders.
- A starting assumption is that the net value of project options would be calculated into perpetuity, in the same way that our national NCA net asset values are.
- We would like external condition changes (e.g. climate change/population growth) to be included where appropriate (e.g. where more likely than not).

- We are envisaging that this is an exercise that draws on data that already exists, and that at a national level we have some familiarity in gathering together in our NCA. (See the NCA for more info.)
- We are very clear about what can and cannot (at present) be quantified in physical units and monetary values at a national level through our work with the NCA.
 - o The significant gaps in ecosystem services that are not valued in our NCA are flooding, water quality and air quality. We are reasonably up to speed with developments in these areas, and at present do not consider that there is a cost / time effective way of incorporating any of these aspects in the next national NCA.
 - o We are open to being informed that there are other aspects of ecosystem services that could be quantified at case study level (although not at national level) because of the different scale of work, and we'd welcome a consultant suggesting a way to do this. But we do not want to use scarce resources chasing possible additions where there is not a high likelihood of a positive contribution to the work.
 - o We envisage that the work will need to have some sort of qualitative element that identifies ecosystem services that are not quantified and whether they are thought to be of high/medium/low importance for the site.
 - o It will be of assistance in selecting a consultant if your bid includes details of what benefits / costs you would anticipate including in the work, and whether these can be quantified.
- We are interested in discussing, during the course of the work, with the District teams, the benefit of including an asset register of some sort as an output.
 - o We are very aware at national level of the importance that an asset register plays in providing an understanding of the nuances within the headline net natural capital asset value, and that this is particularly important where (at present) not all ecosystem services are included in that headline value. We are not yet clear as to whether some sort of asset register that identifies the changes that an option would deliver would add value to this case study work or not.
 - o If this was to be included in the project, it would be likely that there would be local level data available for the site that was different to that which we can collate nationally. For example it might be a geographic area where a dormouse study has been undertaken, and so there is information about dormouse populations, and the potential for habitat change to drive population change could be included. There is also easy access to specialists at the forefront of carbon modelling within the wider Forestry

Commission family (England's forest services, Forestry Research and FC Scotland/the Scottish Government forestry team).

- One area of modelling complexity is carbon modelling. We have a carbon model that supports our NCA calculations, and it is a starting assumption that this could be used to generate data at the smaller site scale.
- It would be useful, when undertaking the case studies, to bear in mind the long list of potential other land areas where this approach might be rolled out, as this should enable flags to be raised if there are some aspects of the approach used that would not be able to be adapted to all those other types of land management scenarios. Or where a small adaptation to the approach used in these pilot studies would resolve a potential future issue.
- The methodology used must avoid potential double counting. It must create outputs that can be 'added together'. i.e. if we were to apply this approach to every part of the PFE, the total of the different small geographic areas must not be more than the total natural capital impact. e.g. in estimating visit number value for a case study area that forms part of a wider forest, and where visitors will not be visiting just that 'patch' on a visit, it must represent an accurate proportion of that value.

3.3 Stage 3: Reporting and Delivering Outputs

No detailed specifications are suggested for this. We are not looking for a 'shiny' or large document, rather a 'shiny' case study that staff feel has added value to their understanding of land management options and their decision making.

Additionally this will be a case study that we can use to strengthen our communication externally, to illustrate FE's progress in using natural capital and internally to progress understanding amongst FE staff of the practical applications possible.

There may be further uses of this approach, however these are secondary to the main purpose of the pilot, and potential for these will be assessed in the light of the outputs of this pilot work.

Ownership of the intellectual property of all outputs and supporting work will reside with FE.

4 Consultant Requirements

What we are looking for in a consultant:

- A strong understanding of natural capital concepts and existing work in this field, particularly in relation to understanding/learning from existing natural capital assessment models, and any practical application of the concepts to land management decision making.

This is predominantly so that the work is suitably informed by this understanding, any questions the District staff have as they collaborate with the consultant can be easily answered, and the case study can be efficiently undertaken as a result. At national level we have a strong understanding of natural capital in relation to FE, and whilst we welcome additional thoughts and ideas to improve the approach to these case studies, we do not see the primary purpose of this work being to advise us on new concepts.

Any relevant previous experience in undertaking an exercise of this nature should be detailed, particularly any lessons learnt and how that will ensure these case studies deliver more meaningful results than if we were doing it in house.

- An appreciation of the essentially practical nature of this exercise; the majority of the time required will be to support district or national team staff in providing the inputs required, not undertaking complex economic modelling. Much of the work could be undertaken by a junior staff member with strong people and project management skills.
- Forest Enterprise is based in Bristol, and there will be a requirement for the consultants to attend a meeting there at least once in the delivery process. Other meetings can be held via telephone, or at alternative locations if convenient to all parties (e.g. in London).
- The key contact member / delivery staff member for the consultancy will need to visit the two District teams (Kielder Forest in the North District and Thames Chase Forest on the east side of London in our East District) to meet key local staff members and establish relationships. However, if needed, we imagine that this could be kept to a minimum of a start up on site meeting and at least one more on site meeting. FE staff are used to working remotely and teleconferences are a normal part of how we do business.
- We don't consider that a detailed understanding of FE's wider operation is required for this work, or that significant amounts of briefing and background time need to be budgeted for. Detailed understanding of the sites in question will be provided by the District staff when the work commences. A working understanding of the different areas of FEE's business is necessary, but this can be provided through familiarity with the annual accounts and the NCA. (links included in Reference Documents section of this brief).
- We will assess how well your approach / methodology meets all aspects of this brief. For clarity, we would expect this to explain whether you will be using an existing natural capital assessment model (and indicate which of the several that exist that you have considered), drawing on existing models (or those currently

in draft form, like NEVO) to inform the approach whilst not replicating them exactly, or creating a bespoke model.

5 Consultancy Budget and Inputs

Our maximum budget for this work - the initial 2 case studies - is £17,000 excluding VAT. Follow on work rolling out the approach developed to other case studies may be agreed based on additional fixed price quotes at the conclusion of this work, as separate pieces of work.

As this is expected to be a relatively short timescale for delivery, payment schedule proposed is 100% on completion of all work, i.e. the main NCA report and step by step deliverable. No upfront payment will be made. If consultants nonetheless require an interim billing point, please specify this in your bid and tie it to specific outputs.

6 Quotes

Please provide a written quote to Jacob.waller@forestry.gsi.gov.uk for the work by the deadline of 12pm Friday 5th January 2018, outlining:

- Total fixed price, excluding VAT but including:
 - all disbursements, expenses etc.,
 - clear identification of any areas where you are expecting FE inputs of staff or resource.
- Details of your approach and methodology, including:
 - details of any areas set out in this invitation to quote where you feel further discussion or an alternative approach would be wise.
- Specific identification of the outputs you will deliver.
- Details of the team members who will be undertaking the work, including:
 - a brief outline of their relevant experience;
 - an estimate of time allocated to each team member for the different parts of your methodology/approach.
- Timescale for delivering the work, and ability to start the work at the end of January 2018.

The work will be awarded based on an assessment of value for money. This will include an assessment of the lowest price and the quality of approach proposed. The lowest price quote will not automatically be considered best value for money.

We will want to meet the team members and discuss your approach, including the team member who will be undertaking the majority of the work, prior to awarding the work.

7 Timescale:

Deadline for receipt of quotes 5th Jan 2018.

Work awarded Jan 2018. Dates of any pre-award interview TBC.

Work starts end Jan 2018.

8 Terms and Conditions

Forestry Commission standard terms and conditions will apply. See Appendix 4.

Any intellectual property created during this work will be the property of Forest Enterprise/the Forestry Commission, including any underlying modelling.

Appendix 1: Pilot Case Study Area 1 Thames Chase, Pinch Mountain.

Please see separate document, Appendix 1 Thames Chase, Pinch Mountain (Appendix_1_Thames_Chase.pdf).

Appendix 1 includes site maps of Pinch Mountain and the wider Thames Chase Community Forest, as well as planting plans, a summary plan by the Thames Chase Trust and contextual documents.

Appendix 2: Pilot Case Study Area 2 – Rushy Knowe & Mounces, Kielder Forest.

Please see separate document, Appendix 2 Kielder Forest – Rushy Knowe and Mounces (Appendix_2_Rushy_Knowe_and_Mounces.pdf).

Appendix 2 includes maps of the two plots, aerial and site photography, as well as planting plans, species maps and felling proposals.

Appendix 3: Reference Documents

FE Annual Accounts (half way down page) <https://www.forestry.gov.uk/forestry/infd-7fvd59>

FE 2016-17 Natural Capital Account: <https://www.forestry.gov.uk/forestry/BEEH-APTCAS>

Appendix 4: FC Standard T&Cs

This ITT, and any contract arising from it, will be subject to the latest version our [terms and](#) conditions for consultancy services.

The successful Tenderer's usual terms and conditions are not, and will not, become terms and conditions of any contract that we may award as a result of this ITT.