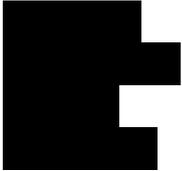




Department
for Environment
Food & Rural Affairs

Defra Group Commercial T: 03459 335577
Foss House, 1-2 helpline@defra.gsi.gov.uk
Peasholme Green, York www.gov.uk/defra
YO1 7PZ

[REDACTED]
Economics for the Environment Consultancy Ltd



Your ref: ITT_4865
Our ref: ECM_53527
Date: 08/11/2018

Dear Sirs,

Award of contract for the supply of Tourism values for Natural Capital Accounts

Following your tender for the supply of research to devise a transparent and repeatable method for, and provide estimates of, the contribution of different ecosystems to the output of the tourist and outdoor leisure sectors in the UK as part of the UK Natural Capital Accounts to Defra, we are pleased to award this contract to you.

This letter (Award Letter) its Annex and schedules set out the terms of the contract between Defra as the Customer and Economics for the Environment Consultancy Ltd as the Contractor for the provision of the Services. Unless the context otherwise requires, capitalised expressions used in this Award Letter have the same meanings as in the terms and conditions of contract set out in Annex 1 to this Award Letter (the “**Conditions**”). In the event of any conflict between this Award Letter and the Conditions, this Award Letter shall prevail. Please do not attach any Contractor terms and conditions to this Award Letter as they will not be accepted by the Customer and may delay the conclusion of the Agreement.

For the purposes of the Agreement, the Customer and the Contractor agree as follows:

- 1) The Services shall be performed at the Contractor’s premises.
- 2) The charges for the Services shall be as set out in Schedule 2.
- 3) The specification of the Services to be supplied is as set out in Schedule 1.
- 4) The Term shall commence on 12 November 2018 and the Expiry Date shall be 31 May 2019.

5) The address for notices of the Parties are:

Customer

[REDACTED]
Department for Environment Food &
Rural Affairs

[REDACTED]
[REDACTED]
[REDACTED]

Email: [REDACTED]

Contractor

Economics for the Environment
Consultancy Ltd

[REDACTED]
[REDACTED]

[REDACTED]

Email: [REDACTED]

6) The following persons are Key Personnel for the purposes of the Agreement:

[REDACTED]
[REDACTED]

7) The Customer may require the Contractor to ensure that any person employed in the provision of the Services has undertaken a Disclosure and Barring Service check. The Contractor shall ensure that no person who discloses that he/she has a conviction that is relevant to the nature of the Services, relevant to the work of the Customer, or is of a type otherwise advised by the Customer (each such conviction a "**Relevant Conviction**"), or is found by the Contractor to have a Relevant Conviction (whether as a result of a police check, a Disclosure and Barring Service check or otherwise) is employed or engaged in the provision of any part of the Services.

Payment

All invoices should be sent, quoting a valid purchase order number (PO Number), to: Accounts-Payable.def@sscl.gov.uk or Shared Services Connected Limited, PO Box 790, Phoenix House, Celtic Springs Business Park, Newport, Gwent, NP10 8FZ. Within 10 Working Days of receipt of your acceptance of this letter via Bravo, we will send you a unique PO Number. You must be in receipt of a valid PO Number before submitting an invoice.

To avoid delay in payment it is important that the invoice is compliant and that it includes a valid PO Number, PO Number item number (if applicable) and the details (name and telephone number) of your Customer contact (i.e. Contract Manager). Non-compliant invoices will be sent back to you, which may lead to a delay in payment. If you have a query regarding an outstanding payment please contact our Accounts Payable section either by email to Accounts-Payable.def@sscl.gov.uk or by telephone 0845 603 7262 between 09:00-17:00 Monday to Friday.

Liaison

For general liaison your contact will be [REDACTED]
[REDACTED]

We thank you for your co-operation to date, and look forward to forging a successful working relationship resulting in a smooth and successful supply of the Goods. Acceptance of the award of this contract will be made by electronic signature carried out in accordance with the 1999 EU Directive 99/93 (Community framework for electronic signatures) and the UK Electronic Communications Act 2000. Acceptance of the offer comprised in this Agreement must be made within 7 days from the date of this Award Letter and the Agreement is formed on the date on which the Contractor communicates acceptance on the Customer's electronic contract management system ("Bravo"). No other form of acknowledgement will be accepted. Please remember to quote the reference number above in any future communications relating to this contract.

Yours sincerely,

[REDACTED]
Senior Category Manager
Defra group Commercial
Department for Environment Food & Rural Affairs
[REDACTED]



Department
for Environment
Food & Rural Affairs

Short Form Contract for research into the contribution of tourist and outdoor leisure sectors in the UK as part of the UK Natural Capital Accounts.

Contract Reference: ECM_53527

November 2018

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THIS CONTRACT is dated

BETWEEN

DEPARTMENT FOR ENVIRONMENT FOOD & RURAL AFFAIRS of [REDACTED]
[REDACTED] (the "**Authority**"); and

Economics for the Environment Consultancy Ltd, [REDACTED]
[REDACTED] registered in England and Wales under number [REDACTED] (the "**Supplier**")

(each a "**Party**" and together the "**Parties**").

BACKGROUND

- a) The Authority requires the services set out in Schedule 1 (the "**Services**").
- b) The Authority has awarded this contract for the Services to the Supplier and the Supplier agrees to provide the Services in accordance with the terms of the contract.

AGREED TERMS

1. Definitions and Interpretation

- 1.1 In the Contract, unless the context requires otherwise, the following terms shall have the meanings given to them below:

'Approval': the prior written consent of the Authority.

'Authority Website':

<https://www.gov.uk/government/organisations/department-for-environment-food-rural-affairs>

'Contract Term': the period from the Commencement Date to the Expiry Date.

'Contracting Authority': an organisation defined as a contracting authority in Regulation 2 of the Public Contracts Regulations 2015.

'Controller': has the meaning given in the GDPR.

'Data Loss Event': any event that results, or may result, in unauthorised access to Personal Data held by the Supplier under this Contract, and/or actual or potential loss and/or destruction of Personal Data in breach of this Contract, including any Personal Data Breach.

'Data Protection Impact Assessment': an assessment by the Controller of the impact of the envisaged processing on the protection of Personal Data.

'Data Protection Legislation': (i) the GDPR, the LED and any applicable national implementing Laws as amended from time to time (ii) the DPA 2018 to the extent that it relates to processing of personal data and privacy; and (iii) all applicable Law about the processing of personal data and privacy.

'Data Protection Officer': has the meaning given in the GDPR. **'Data Subject'**: has the meaning given in the GDPR.

'Data Subject Request': a request made by, or on behalf of, a Data Subject in accordance with rights granted pursuant to the Data Protection Legislation to access their Personal Data.

'Default': a breach by the Supplier or Staff of its obligations under the Contract or any other default, negligence or negligent statement in connection with the Contract.

'Dispute Resolution Procedure': the dispute resolution procedure set out in Clause 20.

'DPA 2018': the Data Protection Act 2018.

'Force Majeure': any cause affecting the performance by a Party of its obligations under the Contract arising from acts, events, omissions or non-events beyond its reasonable control, including acts of God, riots, war, acts of terrorism, fire, flood, storm or earthquake and any disaster, but excluding any industrial dispute relating to the Supplier, its Staff or any other failure in the Supplier's supply chain.

'Fraud': any offence under laws creating offences in respect of fraudulent acts or at common law in respect of fraudulent acts in relation to the Contract or defrauding or attempting to defraud or conspiring to defraud the Authority or any other Contracting Authority.

'GDPR': the General Data Protection Regulation (Regulation (EU) 2016/679).

'Good Industry Practice': standards, practices, methods and procedures conforming to the law and the degree of skill and care, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced person or body engaged in a similar type of undertaking under similar circumstances.

'Goods': all products, documents, and materials developed by the Supplier or its agents, Sub-contractors, consultants, suppliers and Staff in relation to the Services in any form, including computer programs, data, reports and specifications (including drafts).

'Intellectual Property Rights': any and all intellectual property rights of any nature anywhere in the world whether registered, registerable or otherwise, including patents, utility models, trademarks, registered designs and domain names, applications for any of the foregoing, trade or business names, goodwill, copyright and rights in the nature of copyright, design rights, rights in databases, moral rights, know-how and any other intellectual property rights which subsist in computer software, computer programs, websites, documents, information, techniques, business methods, drawings, logos, instruction manuals, lists and procedures and particulars of customers, marketing methods and procedures and advertising literature, including the "look and feel" of any websites.

'IP Materials': all Intellectual Property Rights which are:

- a) furnished to or made available to the Supplier by or on behalf of the Authority; or
- b) created by the Supplier or Staff in the course of providing the Services or exclusively for the purpose of providing the Services.

'Law': any law, statute, subordinate legislation within the meaning of section 21(1) of the Interpretation Act 1978, bye-law, enforceable right within the meaning of section 2 of the European Communities Act 1972, regulation, order, regulatory policy, mandatory guidance or code of practice, judgment of a relevant court of law, or directives or requirements of any regulatory body with which the relevant Party is bound to comply.

'LED': Law Enforcement Directive (Directive (EU) 2016/680).

'Personal Data': has the meaning given in the GDPR.

'Personal Data Breach': has the meaning given in the GDPR.

'Price': the price for the Services set out in Schedule 2.

'Processor': has the meaning given in the GDPR.

'Protective Measures': appropriate technical and organisational measures which may include: pseudonymising and encrypting Personal Data, ensuring confidentiality, integrity, availability and resilience of systems and services, ensuring that availability of and access to Personal Data can be restored in a timely manner after an incident, and regularly assessing and evaluating the effectiveness of the such measures adopted by it.

'Replacement Supplier': any third party supplier of services appointed by the Authority to replace the Supplier.

'Staff': all employees, staff, other workers, agents and consultants of the Authority, the Supplier and of any Sub-contractors who are engaged in providing the Services from time to time.

'Sub-contract': any contract between the Supplier and a third party pursuant to which the Supplier agrees to source the provision of any of the Services from that third party.

'Sub-contractor': third parties which enter into a Sub-contract with the Supplier.

'Sub-processor': any third party appointed to process Personal Data on behalf of the Supplier related to this Contract.

'Valid Invoice': an invoice containing the information set out in Clause 3.3.

'VAT': Value Added Tax.

‘Working Day’: Monday to Friday excluding any public holidays in England and Wales.

1.2 The interpretation and construction of the Contract is subject to the following provisions:

- a) words importing the singular meaning include where the context so admits the plural meaning and vice versa;
- b) words importing the masculine include the feminine and the neuter;
- c) reference to any statutory provision, enactment, order, regulation or other similar instrument are construed as a reference to the statutory provision enactment, order regulation or instrument (including any instrument of the European Union) as amended, replaced, consolidated or re-enacted from time to time, and include any orders, regulations, codes of practice, instruments or other subordinate legislation made under it;
- d) reference to any person includes natural persons and partnerships, firms and other incorporated bodies and all other legal persons of whatever kind and however constituted and their successors and permitted assigns or transferees;
- e) the headings are inserted for ease of reference only and do not affect the interpretation or construction of the Contract;
- f) references to the Services include references to the Goods;
- g) references to Clauses and Schedules are to clauses and schedules of the Contract; and
- h) the Schedules form part of the Contract and have affect as if set out in full in the body of the Contract and any reference to the Contract includes the Schedules.
- i) the word ‘including’ shall be understood as meaning ‘including without limitation’.
- j)

2. Contract and Contract Term

2.1 The Supplier shall provide the Authority with the services set out in Schedule 1 (the “**Services**”) in accordance with the terms and conditions of the Contract.

2.2 The Contract is effective on 12 November 2018 (the “**Commencement Date**”) and ends on 31 May 2019 (the “**Expiry Date**”) unless terminated early or extended in accordance with the Contract.

3. Price and Payment

3.1 In consideration of the Supplier providing the Services in accordance with the Contract, the Authority shall pay the Price to the Supplier.

3.2 The Authority shall:

- a) provide the Supplier with a purchase order number (“**PO Number**”); and
- b) pay all undisputed sums due to the Supplier within 30 days of receipt of a Valid Invoice.

3.3 A Valid Invoice shall:

- a) contain the correct PO Number;
- b) express the sum invoiced in sterling; and
- c) include VAT at the prevailing rate as a separate sum or a statement that the Supplier is not registered for VAT.

3.4 The Supplier shall submit invoices to the Authority at the following addresses Accounts-Payable.def@sscl.gov.uk or Shared Services Connected Limited, PO Box 790, Phoenix House, Celtic Springs Business Park, Newport, Gwent, NP10 8FZ.

3.5 The Supplier acknowledges that:

- a) if the Supplier does not include VAT on an invoice or does not include VAT at the correct rate, the Authority will not be liable to pay the Supplier any additional VAT;
- b) invoices which do not include the information set out in Clause 3.3 will be rejected.

3.6 Any late payment of an undisputed amount is not made by the Authority by the due date, then the Authority shall pay the Supplier interest at the interest rate specified in the Late Payment of Commercial Debts (Interest) Act 1998.

3.7 The Supplier shall not suspend provision of the Services if any payment is overdue.

3.8 The Supplier indemnifies the Authority on a continuing basis against any liability, including any interest, penalties or costs incurred, which is levied, demanded or assessed on the Authority at any time in respect of the Supplier's failure to account for or to pay any VAT relating to payments made to the Supplier under the Contract.

4. Extension of the Contract

4.1 The Authority may, by written notice to the Supplier, extend the Contract for a further period up to 6 months.

5. Warranties and Representations

5.1 The Supplier warrants and represents for the Contract Term that:

- a) it has full capacity and authority and all necessary consents and regulatory approvals to enter into the Contract and to provide the Services;
- b) the Contract is executed by a duly authorised representative of the Supplier;
- c) in entering the Contract it has not committed any Fraud;
- d) as at the Commencement Date, all information contained in its tender or other offer made by the Supplier to the Authority remains true, accurate and not misleading, save as may have been specifically disclosed in writing to the Authority prior to execution of the Contract and that it will advise the Authority of any fact, matter or circumstance of which it may become aware which would render such information false or misleading;
- e) no claim is being asserted and no litigation, arbitration or administrative proceeding is presently in progress or, to the best of its knowledge and belief, pending or threatened against it or any of its assets which will or might have a material adverse effect on its ability to perform its obligations under the Contract;
- f) it is not subject to any contractual obligation, compliance with which is likely to have a material adverse effect on its ability to provide the Services;
- g) no proceedings or other steps have been taken and not discharged (or, to the best of its knowledge, are threatened) for the winding up of the Supplier or for its dissolution or for the appointment of a receiver, administrative receiver, liquidator, manager, administrator or similar in relation to any of the Supplier's assets or revenue;
- h) to the best of its knowledge and belief having made all reasonable enquiries it owns, or has obtained or is able to obtain valid licences for, all Intellectual

Property Rights that are necessary to provide the Services; and

- i) Staff shall be engaged on terms which do not entitle them to any Intellectual Property Right in any IP Materials;
- j) it will comply with its obligations under the [Immigration, Asylum and Nationality Act 2006](#).

5.2 The Supplier warrants and represents that in the 3 years prior to the date of the Contract:

- a) it has conducted all financial accounting and reporting activities in compliance with generally accepted accounting principles and has complied with relevant securities;
- b) it has not done or omitted to do anything which could have a material adverse effect on its assets, financial condition or position as a going concern or its ability to provide the Services; and
- c) it has complied with all relevant tax laws and regulations and no tax return submitted to a relevant tax authority has been found to be incorrect under any anti-abuse rules.

6. Service Standards

6.1 The Supplier shall provide the Services or procure that they are provided with reasonable skill and care, in accordance with Good Industry Practice prevailing from time to time and with Staff who are appropriately trained and qualified.

6.2 If the Services do not meet the Specification, the Supplier shall at its own expense re-schedule and carry out the Services in accordance with the Specification within such reasonable time as may be specified by the Authority.

6.3 The Authority may by written notice to the Supplier reject any of the Goods which fail to conform to the approved sample or fail to meet the Specification. Such notice shall be given within a reasonable time after delivery to the Authority of the Goods. If the Authority rejects any of the Goods it may (without prejudice to its other rights and remedies) either:

- a) have the Goods promptly either repaired by the Supplier or replaced by the Supplier with Goods which conform in all respects with the approved sample or with the Specification and due delivery shall not be deemed to have taken place until the repair or replacement has occurred; or

- b) treat the Contract as discharged by the Supplier's breach and obtain a refund (if the Goods have already been paid for) from the Supplier in respect of the Goods concerned together with payment of any additional expenditure reasonably incurred by the Authority in obtaining replacements.
- 6.4 The Authority will be deemed to have accepted the Goods if it expressly states the same in writing or fails to reject the Goods in accordance with Clause 6.3.
- 6.5 If the Authority issues a receipt note for delivery of the Goods it shall not constitute any acknowledgement of the condition, quantity or nature of those Goods or the Authority's acceptance of them.
- 6.6 Any Goods rejected or returned by the Authority pursuant to this Clause 6 shall be returned to the Supplier at the Supplier's risk and expense.

7. Termination

- 7.1 The Authority may terminate the Contract at any time by giving 30 days written notice to the Supplier.
- 7.2 The Authority may terminate the Contract in whole or in part by notice to the Supplier with immediate effect and without compensation to the Supplier if:
 - a) being an individual, the Supplier is the subject of a bankruptcy order; has made a composition or arrangement with his creditors; dies or is adjudged incapable of managing his affairs within the meaning of Part VII of the [Mental Health Act 1983](#);
 - b) being a company, the Supplier goes into compulsory winding up, or passes a resolution for voluntary winding up, or suffers an administrator, administrative receiver or receiver and manager to be appointed or to take possession over the whole or any part of its assets, is dissolved; or has entered into a voluntary arrangement with its creditors under the [Insolvency Act 1986](#), or has proposed or entered into any scheme of arrangement or composition with its creditors under section 425 of the Companies Act 1985; or has been dissolved;
 - c) being a partnership, limited liability partnership or unregistered company, the Supplier or an individual member of it goes into compulsory winding up; is dissolved; suffers an administrator or receiver or manager to be appointed over the whole or any part of its assets; or has entered into a composition or voluntary arrangement with its creditors;
 - d) the Supplier is in any case affected by any similar occurrence to any of the

above in any jurisdiction;

- e) subject to Clause 7.3, the Supplier commits a Default;
- f) there is a change of control of the Supplier; or
- g) the Supplier or Staff commits Fraud in relation to the Contract or any other contract with the Crown (including the Authority).

7.3 If the Supplier commits a Default which is capable of being remedied, the Authority may terminate the Contract pursuant to Clause 7.2(e) only if the Supplier has failed to remedy the Default within 20 Working Days of being notified of the Default by the Authority.

8. Consequences of Expiry or Termination

8.1 If the Authority terminates the Contract under Clause 7.2:

- a) and then makes other arrangements for the supply of the Services, the Authority may recover from the Supplier the cost reasonably incurred of making those other arrangements and any additional expenditure incurred by the Authority throughout the remainder of the Contract Term; and
- b) no further payments shall be payable by the Authority to the Supplier (for the Services supplied by the Supplier prior to termination and in accordance with the Contract but where the payment has yet to be made by the Authority), until the Authority has established the final cost of making the other arrangements envisaged under Clause 8.1(a).

8.2 On expiry or termination of the Contract the Supplier shall:

- a) co-operate fully with the Authority to ensure an orderly migration of the Services to the Authority or, at the Authority's request, a Replacement Supplier; and
- b) procure that all data and other material belonging to the Authority (and all media of any nature containing information and data belonging to the Authority or relating to the Services) shall be delivered promptly to the Authority.

8.3 Save as otherwise expressly provided in the Contract:

- a) termination or expiry of the Contract shall be without prejudice to any rights, remedies or obligations accrued under the Contract prior to termination or expiration and nothing in the Contract shall prejudice the right of either Party to recover any amount outstanding at such termination or expiry; and

- b) termination of the Contract shall not affect the continuing rights, remedies or obligations of the Authority or the Supplier under Clauses 3, 8 to 13, 17, 26 and 28.

9. Liability, Indemnity and Insurance

9.1 Notwithstanding any other provision in the Contract, neither Party excludes or limits liability to the other Party for:

- a) death or personal injury caused by its negligence;
- b) Fraud or fraudulent misrepresentation; or
- c) other liability, which by law, cannot be limited or excluded.

9.2 The Supplier shall indemnify and keep indemnified the Authority against all claims, proceedings, demands, actions, damages, costs, breach of statutory duty, expenses and any other liabilities which arise in tort (including negligence) default or breach of the Contract to the extent that any such loss or claim is due to the breach of contract, negligence, wilful default or Fraud of itself or of Staff or Sub- contractors save to the extent that the same is directly caused by the negligence, breach of the Contract or applicable law by the Authority.

9.3 The Supplier shall not exclude liability for additional operational, administrative costs and/or expenses or wasted expenditure resulting from the direct Default of the Supplier.

9.4 Subject to Clause 9.1:

- a) neither Party is liable to the other for any:
 - (i) loss of profits, business, revenue or goodwill;
 - (ii) loss of savings (whether anticipated or otherwise); and/or
 - (iii) indirect or consequential loss or damage
- b) each Party's total aggregate liability in respect of all claims, losses damages, whether arising from tort (including negligence), breach of contract or otherwise under or in connection with the Contract, shall not exceed £1,000,000 (one million pounds) or 2x the value of the Contract whichever is the lower amount.

9.5 The Supplier shall, with effect from the Commencement Date and for such

period as necessary to enable the Supplier to comply with its obligations under the Contract, take out and maintain with a reputable insurance company a policy or policies of insurance providing an adequate level of cover in respect of all risks which may be incurred by the Supplier, arising out of the Supplier's performance of its obligations under the Contract, including employer's liability, death or personal injury, loss of or damage to property or any other loss, including financial loss arising from any advice given or omitted to be given by the Supplier. Such insurance shall be maintained for the Contract Term and for a minimum of 6 years following the end of the Contract.

- 9.6 The Supplier shall give the Authority, on request, copies of all insurance policies referred to in this Clause or a broker's verification of insurance to demonstrate that the appropriate cover is in place, together with receipts or other evidence of payment of the latest premiums due under those policies.
- 9.7 If the Supplier fails to comply with Clauses 9.5 and 9.6 the Authority may make alternative arrangements to protect its interests and may recover the costs of such arrangements from the Supplier.
- 9.8 The provisions of any insurance or the amount of cover shall not relieve the Supplier of any liabilities under the Contract.
- 9.9 The Supplier shall not take any action or fail to take any reasonable action, or (to the extent that it is reasonably within its power) permit anything to occur in relation to the Supplier, which would entitle any insurer to refuse to pay any claim under any insurance policy in which the Supplier is an insured, a co-insured or additional insured person.

10. Confidentiality and Data Protection

- 10.1. Subject to Clause 10.2, unless agreed otherwise in writing, the Supplier and the Authority shall, and shall procure that their Staff shall, keep confidential all matters relating to the Contract.
- 10.2. Clause 10.1 shall not apply to any disclosure of information:
- a) required by any applicable law;
 - b) that is reasonably required by persons engaged in performing the Supplier's or the Authority's obligations under the Contract;
 - c) where the Supplier or the Authority can demonstrate that such information is already generally available and in the public domain other than as a result of a breach of Clause 10.1; or
 - d) which is already lawfully in the Supplier's or the Authority's possession prior to

its disclosure by the Disclosing Party.

- e) Which is approved for release in writing by an authorized representative of the disclosing party.
- f) Which is independently developed by the receiving party without access to the information

10.3. The Parties acknowledge that for the purposes of the Data Protection Legislation, the Authority is the Controller and the Supplier is the Processor unless otherwise specified in Schedule 3. The only processing that the Supplier is authorised to do is listed in Schedule 3 by the Authority and may not be determined by the Supplier.

10.4. The Supplier shall notify the Authority immediately if it considers that any of the Authority's instructions infringe the Data Protection Legislation.

10.5. The Supplier shall provide all reasonable assistance to the Authority in the preparation of any Data Protection Impact Assessment prior to commencing any processing. Such assistance may, at the discretion of the Authority, include:

- a. a systematic description of the envisaged processing operations and the purpose of the processing;
- b. an assessment of the necessity and proportionality of the processing operations in relation to the Services;
- c. an assessment of the risks to the rights and freedoms of Data Subjects; and
- d. the measures envisaged to address the risks, including safeguards, security measures and mechanisms to ensure the protection of Personal Data.

10.6. The Supplier shall, in relation to any Personal Data processed in connection with its obligations under this Contract:

- a. process that Personal Data only in accordance with Schedule 3 unless the Supplier is required to do otherwise by Law. If it is so required the Supplier shall promptly notify the Authority before processing the Personal Data unless prohibited by Law;
- b. ensure that it has in place Protective Measures which are appropriate to protect against a Data Loss Event, which the Authority may reasonably reject

(but failure to reject shall not amount to approval by the Authority of the adequacy of the Protective Measures), having taken account of the:

- (i) nature of the data to be protected;
 - (ii) harm that might result from a Data Loss Event;
 - (iii) state of technological development; and
 - (iv) cost of implementing any measures;
- c. ensure that:
- (i) the Staff do not process Personal Data except in accordance with this Contract (and in particular Schedule 3);
 - (ii) it takes all reasonable steps to ensure the reliability and integrity of any Staff who have access to the Personal Data and ensure that they:
 - A. are aware of and comply with the Supplier's duties under this clause;
 - B. are subject to appropriate confidentiality undertakings with the Supplier or any Sub-processor;
 - C. are informed of the confidential nature of the Personal Data and do not publish, disclose or divulge any of the Personal Data to any third party unless directed in writing to do so by the Authority or as otherwise permitted by this Contract; and
 - D. have undergone adequate training in the use, care, protection and handling of Personal Data; and
- d. not transfer Personal Data outside of the European Union unless the prior written consent of the Authority has been obtained and the following conditions are fulfilled:
- (i) the Authority or the Supplier has provided appropriate safeguards in relation to the transfer (whether in accordance with the GDPR Article 46 or LED Article 37) as determined by the Authority;
 - (ii) the Data Subject has enforceable rights and effective legal remedies;
 - (iii) the Supplier complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred (or, if it is not so bound, uses its best endeavours to assist the Authority in meeting its obligations); and

- (iv) the Supplier complies with any reasonable instructions notified to it in advance by the Authority with respect to the processing of the Personal Data;
 - e. at the written direction of the Authority, delete or return Personal Data (and any copies of it) to the Authority on termination of the Contract unless the Supplier is required by Law to retain the Personal Data.
- 10.7. Subject to clause 10.8 the Supplier shall notify the Authority immediately if, in relation to any Personal Data processed in connection with its obligations under this Contract, it:
- a. receives a Data Subject Request (or purported Data Subject Request);
 - b. receives a request to rectify, block or erase any Personal Data;
 - c. receives any other request, complaint or communication relating to either Party's obligations under the Data Protection Legislation;
 - d. receives any communication from the Information Commissioner or any other regulatory authority;
 - e. receives a request from any third party for disclosure of Personal Data where compliance with such request is required or purported to be required by Law; or
 - f. becomes aware of a Data Loss Event.
- 10.8. The Supplier's obligation to notify under clause 10.7 shall include the provision of further information to the Authority in phases, as details become available.
- 10.9. Taking into account the nature of the processing, the Supplier shall provide the Authority with full assistance in relation to either Party's obligations under Data Protection Legislation in relation to any Personal Data processed in connection with its obligations under this Contract and any complaint, communication or request made under Clause 10.7 (and insofar as possible within the timescales reasonably required by the Authority) including by promptly providing:
- a. the Authority with full details and copies of the complaint, communication or request;

- b. such assistance as is reasonably requested by the Authority to enable the Authority to comply with a Data Subject Request within the relevant timescales set out in the Data Protection Legislation;
- c. the Authority, at its request, with any Personal Data it holds in relation to a Data Subject;
- d. assistance as requested by the Authority following any Data Loss Event;
- e. assistance as requested by the Authority with respect to any request from the Information Commissioner's Office, or any consultation by the Authority with the Information Commissioner's Office.

10.10. The Supplier shall maintain complete and accurate records and information to demonstrate its compliance with this clause 10. This requirement does not apply where the Supplier employs fewer than 250 staff, unless:

- a. the Authority determines that the processing is not occasional;
- b. the Authority determines the processing includes special categories of data as referred to in Article 9(1) of the GDPR or Personal Data relating to criminal convictions and offences referred to in Article 10 of the GDPR; or
- c. the Authority determines that the processing is likely to result in a risk to the rights and freedoms of Data Subjects.

10.11. The Supplier shall allow for audits of its Personal Data processing activity by the Authority or the Authority's designated auditor.

10.12. Each Party shall designate its own Data Protection Officer if required by the Data Protection Legislation.

10.13. Before allowing any Sub-processor to process any Personal Data related to this Contract, the Supplier must:

- a. notify the Authority in writing of the intended Sub-processor and processing;
- b. obtain the written consent of the Authority; and
- c. enter into a written agreement with the Sub-processor which give effect to the terms set out in this clause 10 such that they apply to the Sub-processor; and.

- d. provide the Authority with such information regarding the Sub-processor as the Authority may reasonably require.
- 10.14. The Supplier shall remain fully liable for all acts or omissions of any of its Sub-processors.
- 10.15. The Authority may, at any time on not less than 30 Working Days' notice, revise this clause by replacing it with any applicable controller to processor standard clauses or similar terms forming part of an applicable certification scheme (which shall apply when incorporated by attachment to this Contract).
- 10.16. The Parties agree to take account of any non-mandatory guidance issued by the Information Commissioner's Office. The Authority may on not less than 30 Working Days' notice to the Supplier amend this Contract to ensure that it complies with any guidance issued by the Information Commissioner's Officer.
- 10.17. This clause 10 shall apply during the Contract Term and indefinitely after its expiry.

11. Freedom of Information

- 11.1. The Supplier acknowledges that the Authority is subject to the [Freedom of Information Act 2000](#) and the [Environmental Information Regulations 2004](#) (the "**Information Acts**") and may be required to disclose certain information to third parties including information relating to this Contract pursuant to the Information Acts.
- 11.2. If the Authority receives a request for information relating to the Contract pursuant to either of the Information Acts, the Authority may disclose such information as necessary in order to comply with its duties under the Information Acts.

12. Intellectual Property Rights

- 12.1 Any Intellectual Property Rights owned or controlled by the Supplier prior to the Commencement Date or independently from this Contract and which the Supplier or their Sub-contractor contributes or uses in the course of performing the Services (Background Intellectual Property) shall remain the property of the Supplier or their Subcontractor (whichever introduced same). The Supplier and their Sub-contractor hereby grant the Authority a royalty-free, non-exclusive licence for the Contract Term to use its Background Intellectual Property to the extent such licence is reasonably required by the Authority for the purpose of assisting the Supplier perform the Services. The licence granted by this clause does not extend to any use the Authority wishes to make of the Land Cover Map

2015 data. The Authority's use of Land Cover Map 2015 data shall continue to be governed by the separate licence agreement held by the Authority.

12.2 The IP Materials shall vest in the Authority. Once the Authority has approved the IP Materials and that Approval has been received by the Supplier, the Authority hereby grants the Supplier a perpetual, only to the extent this licence shall automatically expire once the IP Materials have been made publicly available under the terms of an Open Government Licence ("OGL"), irrevocable, sub-licensable, royalty-free right to use the IP Materials for academic and research purposes, including but not limited to research involving projects funded by third parties provided that those parties gain or claim no rights to such IP Materials. For the avoidance of doubt the Supplier shall not have the right to commercially exploit the IP Materials until such time as the IP Materials have been made available under the terms of an OGL

12.3 The Supplier shall indemnify and keep indemnified the Authority and the Crown against all actions, claims, demands, losses, damages, costs and expenses and other liabilities which the Authority or the Crown may suffer or incur arising from any infringement or alleged infringement of any Intellectual Property Rights by the availability of the Services except to the extent that they have been caused by or contributed to by the Authority's acts or omissions.

13. Prevention of Corruption and Fraud

13.1. The Supplier shall act within the provisions of the [Bribery Act 2010](#).

13.2. The Supplier shall take all reasonable steps, in accordance with Good Industry Practice, to prevent Fraud by Staff and the Supplier (including its shareholders, members and directors) in connection with the receipt of money from the Authority.

13.3. The Supplier shall notify the Authority immediately if it has reason to suspect that Fraud has occurred, is occurring or is likely to occur.

14. Discrimination

14.1 The Supplier shall not unlawfully discriminate within the meaning and scope of any law, enactment, order or regulation relating to discrimination in employment.

14.2 The Supplier shall notify the Authority immediately in writing as soon as it becomes aware of any legal proceedings threatened or issued against it by Staff on the grounds of discrimination arising in connection with the Services.

15. Environmental and Ethical Policies

15.1 The Supplier shall provide the Services in accordance with the Authority's policies on the environment, sustainable and ethical procurement and timber

and wood derived products, details of which are available on the Authority Website.

16. Health and Safety

- 16.1 Each Party will promptly notify the other Party of any health and safety hazards which may arise in connection with the Services.
- 16.2 While on the Authority's premises, the Supplier shall comply with the Authority's health and safety policies.
- 16.3 The Supplier shall notify the Authority immediately if any incident occurs in providing the Services on the Authority's premises which causes or may cause personal injury.
- 16.4 The Supplier shall comply with the requirements of the [Health and Safety at Work etc Act 1974](#), and with any other acts, orders, regulations and codes of practice relating to health and safety, which may apply to Staff and other persons working on the Authority's premises when providing the Services.
- 16.5 The Supplier's health and safety policy statement (as required by the Health and Safety at Work etc Act 1974) shall be made available to the Authority on request.

17. Monitoring and Audit

- 17.1 The Authority may monitor the provision of the Services and the Supplier shall co-operate, and shall procure that Staff and any Sub-contractors co-operate, with the Authority in carrying out the monitoring at no additional charge to the Authority.
- 17.2 The Supplier shall keep and maintain until 6 years after the end of the Contract Term full and accurate records of the Contract including the Services supplied under it and all payments made by the Authority. The Supplier shall allow the Authority, the National Audit Office and the Comptroller and Auditor General reasonable access to those records and on such terms as they may request.
- 17.3 The Supplier agrees to provide, free of charge, whenever requested, copies of audit reports obtained by the Supplier in relation to the Services.

18. Transfer and Sub-Contracting

- 18.1 The Supplier shall not transfer, charge, assign, sub-contract or in any other way dispose of the Contract or any part of it without Approval.

- 18.2 If the Supplier enters into any Sub-contract in connection with the Contract it shall:
- a) remain responsible to the Authority for the performance of its obligations under the Contract;
 - b) be responsible for the acts and/or omissions of its Sub-contractors as though they are its own;
 - c) impose obligations on its Sub-contractors in the same terms as those imposed on it pursuant to the Contract and shall procure that the Sub-Supplier complies with such terms;
 - d) pay its Sub-contractors' undisputed invoices within 30 days of receipt.

18.3 The Authority may assign, novate or otherwise dispose of its rights and obligations under the Contract or any part thereof to:

- a) any Contracting Authority or any other body established by the Crown or under statute in order substantially to perform any of the functions that had previously been performed by the Authority; or
- b) any private sector body which performs substantially any of the functions of the Authority.

18.4 Any change in the legal status of the Authority such that it ceases to be a Contracting Authority shall not affect the validity of the Contract. In such circumstances the Contract shall bind and inure to the benefit of any successor body to the Authority.

19. Variation

19.1 Subject to the provisions of this Clause 19, the Authority may change the Specification provided that such change is not a material change to the Specification (a "**Variation**").

19.2 The Authority may request a Variation by notifying the Supplier with sufficient information to assess the extent of the Variation and consider whether any change to the Price is required in order to implement it. Variations agreed by the Parties shall be made in writing.

19.3 If the Supplier is unable to accept the Variation or where the Parties are unable to agree a change to the Price, the Authority may:

- a) allow the Supplier to fulfil its obligations under the Contract without the Variation; or
- b) refer the request to be dealt with under the Dispute Resolution Procedure.

20. Dispute Resolution

- 20.1 The Parties shall attempt in good faith to resolve any dispute between them arising out of the Contract within 10 Working Days of either Party notifying the other of the dispute and such efforts shall include the escalation of the dispute to the Supplier's representative and the Authority's commercial director or equivalent.
- 20.2 Nothing in this dispute resolution procedure shall prevent the Parties from seeking from any court of competent jurisdiction an interim order restraining the other Party from doing any act or compelling the other Party to do any act.
- 20.3 If the dispute cannot be resolved by the Parties pursuant to Clause 20.1 the Parties shall refer it to mediation pursuant to the procedure set out in Clauses 20.5 to 20.10.
- 20.4 The obligations of the Parties under the Contract shall not cease, or be suspended or delayed by the reference of a dispute to mediation and the Supplier and Staff shall comply fully with the requirements of the Contract at all times.
- 20.5 A neutral adviser or mediator (the "**Mediator**") shall be chosen by agreement between the Parties or, if they are unable to agree a Mediator within 10 Working Days after a request by one Party or if the chosen Mediator is unable to act, either Party shall within 10 Working Days from the date of the proposal to appoint a Mediator or within 10 Working Days of notice to either Party that he is unable or unwilling to act, apply to the Centre for Effective Dispute Resolution to appoint a Mediator.
- 20.6 The Parties shall, within 10 Working Days of the appointment of the Mediator, meet the Mediator to agree a programme for the disclosure of information and the structure to be adopted for negotiations. The Parties may at any stage seek assistance from the Centre for Effective Dispute Resolution to provide guidance on a suitable procedure.
- 20.7 Unless otherwise agreed, all negotiations connected with the dispute and any settlement agreement relating to it shall be conducted in confidence and without prejudice to the rights of the Parties in any future proceedings.
- 20.8 If the Parties reach agreement on the resolution of the dispute, the agreement shall be recorded in writing and shall be binding on the Parties once it is signed by their duly authorised representatives.

- 20.9 Failing agreement, either of the Parties may invite the Mediator to provide a non-binding but informative written opinion. Such opinion shall be provided on a without prejudice basis and shall not be used in evidence in any proceedings relating to the Contract without the prior written consent of both Parties.
- 20.10 If the Parties fail to reach agreement within 60 Working Days of the Mediator being appointed, or such longer period as may be agreed by the Parties, then the dispute may be referred to the Courts.
- 20.11 Subject to Clause 20.2, the Parties shall not institute court proceedings until the procedures set out in Clauses 20.1 and 20.5 to 20.10 have been completed.

21. Supplier's Status

- 21.1 Nothing in the Contract shall be construed as constituting a partnership between the Parties or as constituting either Party as the agent for the other for any purposes except as specified by the terms of the Contract.
- 21.2 The Supplier shall not (and shall ensure that Staff shall not) say or do anything that might lead any person to believe that the Supplier is acting as the agent, partner or employee of the Authority.

22. Notices

- 22.1 Notices shall be in writing and in English and shall be deemed given if signed by or on behalf of a duly authorised officer of the Party giving the notice and if left at, or sent by first class mail to the address of the receiving Party as specified in the Contract (or as amended from time to time by notice in writing to the other Party).

23. Entire Agreement

- 23.1 The Contract constitutes the entire agreement between the Parties relating to the subject matter of the Contract. The Contract supersedes all prior negotiations, representations, arrangements and undertakings.

24. Third Party Rights

- 24.1 No term of the Contract is intended to confer a benefit on, or be enforceable by, any person who is not a Party other than the Crown.

25. Waiver

- 25.1 The failure of either Party to insist upon strict performance of any provision of the Contract, or the failure of either Party to exercise, or any delay in exercising, any right or remedy shall not constitute a waiver of that right or remedy and shall not cause a diminution of the obligations established by the

Contract.

- 25.2 No waiver shall be effective unless it is expressly stated to be a waiver and communicated to the other Party in writing.
- 25.3 A waiver of any right or remedy arising from a breach of the Contract shall not constitute a waiver of any right or remedy arising from any other or subsequent breach of the Contract.

26. Publicity

- 26.1 The Supplier shall not without Approval:
- a) make any press announcements or publicise the Contract or its contents in any way; or
 - b) use the Authority's name or logo in any promotion or marketing or announcement.
- 26.2 The Authority may publish the Contract on the Authority Website or another website at its discretion.
- 26.3 In accordance with clause 26.1 if the Supplier wishes to use, present or publish the methods and results of the Services it shall provide the Authority with a copy of any intended publication for review and comment at least thirty days prior to its submission for publication and or release into the public domain, as the case may be, and the Authority shall have the right to approve or reject all such publications prior to their submission and/or release, such approval not to be unreasonably withheld. If such publication or release is permitted in accordance with this clause the Supplier shall acknowledge the Authority's support in any such publications or presentations containing the results or methods of the Services.

27. Force Majeure

- 27.1 Except to the extent that the Supplier has not complied with any business continuity plan agreed with the Authority, neither Party shall be liable for any failure to perform its obligations under the Contract if, and to the extent, that the failure is caused by act of God, war, riots, acts of terrorism, fire, flood, storm or earthquake and any disaster but excluding any industrial dispute relating to the Supplier, Staff or Sub-contractors.
- 27.2 If there is an event of Force Majeure, the affected Party shall use all reasonable endeavours to mitigate the effect of the event of Force Majeure on the performance of its obligations.

28. Governing Law and Jurisdiction

- 28.1 The Contract shall be governed by and interpreted in accordance with English law and shall be subject to the jurisdiction of the Courts of England and Wales.
- 28.2 The submission to such jurisdiction shall not limit the right of the Authority to take proceedings against the Supplier in any other court of competent jurisdiction and the taking of proceedings in any other court of competent jurisdiction shall not preclude the taking of proceedings in any other jurisdiction whether concurrently or not.

29. Electronic Signature

- 29.1 Acceptance of the award of this contract will be made by electronic signature carried out in accordance with the 1999 EU Directive 99/93 (Community framework for electronic signatures) and the UK Electronic Communications Act 2000.
- 29.2 The Contract is formed on the date on which the Supplier communicates acceptance on the Authority's electronic contract management system ("**Bravo**").
- 29.3 No other form of acknowledgement will be accepted.

30. Precedence

- 30.1 In the event of and only to the extent of any conflict between the terms and conditions or the special terms below, the conflict shall be resolved in accordance with the following order of precedence:
- a) the special terms below;
 - b) the main terms of the Contract (pages 1 to 15);
 - c) any other document referred to in the Agreement

Unless expressly agreed, a document varied pursuant to clause 19 shall not take higher precedence than specified here.

SCHEDULE 1 - SPECIFICATION OF SERVICES

Aim of project

This research will devise a transparent and repeatable method for, and provide estimates of, the contribution of different ecosystems to the output of the tourist and outdoor leisure sectors in the UK as part of the UK Natural Capital Accounts. It will be based on the ecosystem accounting principles of the UN System of Environmental and Economic Accounts (SEEA). It will explore three distinct approaches to estimating this contribution:

1. For certain service subsectors of the economy (e.g. canoe hire), it should be possible to estimate the contribution of a particular type of ecosystem or broad habitat to the economic benefit received by the particular services subsector
2. For some other service subsectors (e.g. fishing equipment hire, birdwatching tours), the contribution of the UK ecosystems to the provision of an economic service may be similarly identifiable, but it will be necessary to allocate the total to two or more different types of ecosystems or habitats
3. For a significant number of other service subsectors (e.g. tourist accommodation), only a proportion of the sectoral output can be viewed as benefitting from a contribution by UK ecosystems. In these cases it will be necessary to estimate not only how much of the output of the sector relates to tourists and other visitors to the natural environment but also which types of ecosystems are involved in those visits

This work will enable Defra and the Office for National Statistics (ONS) to make further solid progress towards developing a comprehensive set of natural capital accounts for the UK, as set out in the [2020 Natural Capital Accounting Roadmap](#).

Context and Rationale

The value of Natural Capital is not currently measured in the National Accounts. In its [25 Year Environment Plan](#), the Government committed to continue working with the ONS to develop a full set of natural capital accounts for the UK by 2020. The UK is one of the world leaders in developing Natural Capital accounts and has a high profile in the international community of environmental economics and statistics. A full set of relevant documents, including past scoping studies and initial accounts, can be found on the dedicated [ONS web-page](#).

This innovative programme of work involves reviewing and developing data sources as well as developing new methodologies and principles. Both physical and monetary flow and asset accounts are developed according to [Defra and ONS' accounting principles](#), which in turn reflect emerging guidance set out in the [UN SEEA Experimental Ecosystem Accounting](#) (EEA) and subsequent [Technical Recommendations](#). The emphasis is on making practical progress and, unlike many valuation or natural capital studies,

necessarily involves developing a repeatable method to enable time series to be constructed and ideally estimates for past years to be generated.

Methodologies for various services have been developed and refined. One potentially significant service provided by natural capital but not currently included within the accounts is the element relating to the output of the tourism industry output within the economy. Tourism in general makes a significant contribution to the economy, and in turn natural capital makes a significant contribution to tourism and other outdoor leisure business activities in various forms, and to varying degrees in the various broad habitats. The Natural Capital Committee (NCC) states the challenge simply: “The UK’s tourism satellite account published by the Office for National Statistics indicates that this sector contributes annually about 4% to GDP. How much of this is actually a return on natural capital inputs needs to be researched.”¹

Conceptual considerations

Tourism services are often linked to recreational services. SEEA EEA (5.72) notes that cultural services relating to tourism and recreation provide both a consumer surplus and a producer surplus, the latter being within the production boundary². Identifying, measuring and valuing the producer surplus element of this service is the focus of this project. The ONS-Defra Accounting Principles echo this logic by stating that the supply of recreational services can benefit both the enterprise sector (e.g. tourism and nature-benefiting businesses of different kinds) as well as the household sector (visitors). Tourism is often distinguished from recreational activity on the basis that the former is associated with overnight stays and the latter with day visits to sites. This distinction can be helpful as a starting point but is not essential to the scope of these accounts. For example, whilst a hotel or camping site benefiting from a natural landscape or sea views will involve overnight stays, a canoe rental firm could be benefiting from the access to natural capital provided either to day visitors or to those staying overnight.

One of the objectives of the project is to clarify and identify the nature of ecosystem services to the tourism and outdoor leisure industries, but it is already clear that such services must be (i) additional to the consumer surplus element which is included elsewhere in the natural capital accounts, based on travel costs and certain admission fees; (ii) directly dependent upon the ecosystem and (iii) conceptually distinct from other upstream and downstream value-added (e.g. in the same way that the ecosystem’s contribution to the output of sawmills is excluded from woodland ecosystem accounts). A key ecosystem accounting principle is that an ecosystem service is defined as the contribution of the ecosystem to the benefit, whether at sectoral or micro level.

¹ [Third Report](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/516725/ncc-state-natural-capital-third-report.pdf), p. 14. (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/516725/ncc-state-natural-capital-third-report.pdf)

² Recreational activities not involving any expenditures will only generate a consumer surplus.

This contribution to the producer surplus benefit that is captured (but not separately measured) within the National Accounts and to some extent within the [Tourism Satellite Accounts](#) is typically expressed as a resource rent. This is “analogous to the resource rent observed when businesses extract economic benefit from the ownership of assets (with the difference being that tourism-related businesses do not generally own the tourist-attracting resources)”³. It is commonly calculated as a residual after the returns to other forms of capital have been taken into account (see SEEA Central Framework 5.4.5 for a more detailed description of the approach to be taken). However, there may be other ways of establishing the contribution of the ecosystem, depending upon the counterfactual assumed.

All methodologies for the measurement of the ecosystem contribution to the benefit must also provide some form of disaggregation to broad habitat or other categorisation of land cover such as the Land Cover Map categories. This will enable comprehensive ecosystem accounts to be developed for individual broad habitats in line with the existing accounts.

Requirements

To meet the aims of the project, the following outputs must be provided:

- 1) A clear conceptual rationale, scope and definition of the ecosystem service provided to tourism and outdoor leisure output
- 2) A typology of relevant tourism and outdoor leisure subsectors to be included, allocated to Broad Habitat/land cover category types where appropriate, being clear which subsectors are in or out of scope
- 3) Initial accounting estimates of the value of the services provided to a range of subsectors, using a combination of the three approaches outlined above, with a breakdown by broad habitat, and identifying use (economic sector beneficiaries) as well as supply. Estimates of the contribution of the ecosystem to the tourist accommodation sector must be provided
- 4) A consideration of how the estimates provided articulate with the other natural capital accounts, especially the implications for the measurement and valuation of current recreation estimates
- 5) Advice on the general methods and principles that could be relevant for practitioners of natural capital accounts at a sub-national level

³ Australian Bureau of Statistics: [Experimental Environmental-Economic Accounts for the Great Barrier Reef](http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/4680.0Main%20Features102017?opendocument&tabname=Summary&prodno=4680.0&issue=2017&num=&view=) (2017) (http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/4680.0Main%20Features102017?opendocument&tabname=Summary&prodno=4680.0&issue=2017&num=&view=)

Guidance on approach and key success factors

In order to meet these requirements successfully, Defra expect the contractor to:

- Take due regard of existing and emerging accounting principles set out by Defra/ONS and the UN SEEA;
- Recognise that ecosystems' contributions to tourism and outdoor recreation output take many forms, are wider than specifically "eco-tourism" activities, and are not confined to national parks or any specific protected area;
- Review and learn from existing attempts internationally to assign a value to nature-based tourism in an accounting context;
- Creatively address methodological uncertainties and overcome data limitations, including through pragmatic and credible conventions and solutions that, for example, define what is in scope, or enable attribution and measurement of ecosystems' contribution, or allocate supply between different broad habitats;
- Demonstrate that the methods proposed can generate estimates for a run of years and be repeatable;
- Consider accounting issues arising from the fact that some economic benefits from services to visitors to the natural environment accrue to the owners of the natural asset and may be captured in various ways (e.g. membership schemes, fishing licences, season tickets). These organisations may not be formally included within the tourism or outdoor leisure sectors. In this sense the contribution of the service to tourism and outdoor leisure services should not be confined to actual business activity. The three approaches to estimating the value of ecosystem contributions to the tourism and outdoor recreation sectors outlined above will each require slightly different approaches. For the first, it should be possible to use detailed information from economic statistics such as the ONS Annual Business Survey (ABS) to calculate the economic benefit to a number of particular subsectors of the UK economy.

For the second approach, it will be necessary to make some estimate of the relative contributions of different types of ecosystems to the economic benefit. For example, it might be that the Angling Trust holds information about the extent to which the economic benefit to fishing rod hire companies is attributable either to freshwater or marine ecosystems.

The third approach is likely to be the most data demanding, as it could involve mapping the location of individual business enterprises in relation to their proximity to natural assets, in addition to economic data needed for the calculation of the resource rent. Alternatively, for some economic services, it may be possible to determine the additional value generated directly by the ecosystem e.g. rooms with a sea view charging more than rooms without a sea view; or the value of beach huts compared to the value of garden sheds. In these cases, Defra will be looking for advice as to how far such mark-up values are consistent with the residual resource rent approach.

When relating the location of the economic activity to the location of the natural asset, contractors should consider use of the Land Cover Map and/or the Ordnance Survey Master Map.

The contractor will need to have due regard to the confidentiality and access constraints in using any data at micro-level from the ABS.

Data sources and key references

The Supplier was made aware of a number of sources within the Invitation to Tender, the list was extensive but not exhaustive.

Timetable and payment milestones

The expected timetable for the research project is as follows:

Expected date	Deliverables	Payment milestones
W/c 7 January 2019	Interim report showing satisfactory progress across all requirements	1 st payment milestone
31 March 2019	Draft final report and outputs	2 nd payment milestone
31 May 2019	Project Closure including sign off of Final Report	3 rd payment milestone

Duration of contract

The project will commence in November 2018. The project will end no later than 31 May 2019 with outputs being delivered in line with the timetable above.

The project team will be expected to attend up to 4 meetings in London, and be prepared to produce presentations as required. The Steering Group will comprise representatives from Defra's Environment Analysis Unit, the Defra Group and the Office for National Statistics.

Supplier Approach

Eftec's approach for the development of natural capital accounts for tourism and outdoor leisure is organised around four phases, shown in Figure 1, supported by project management and quality assurance. The approach and work plan demonstrate how the project will be developed through these phases. The Methodological considerations section below outlines methodological considerations and the process which will be employed to develop the natural capital account (asset register, physical flow, monetary flow and asset accounts, and approach to value attribution) for tourism and outdoor leisure.

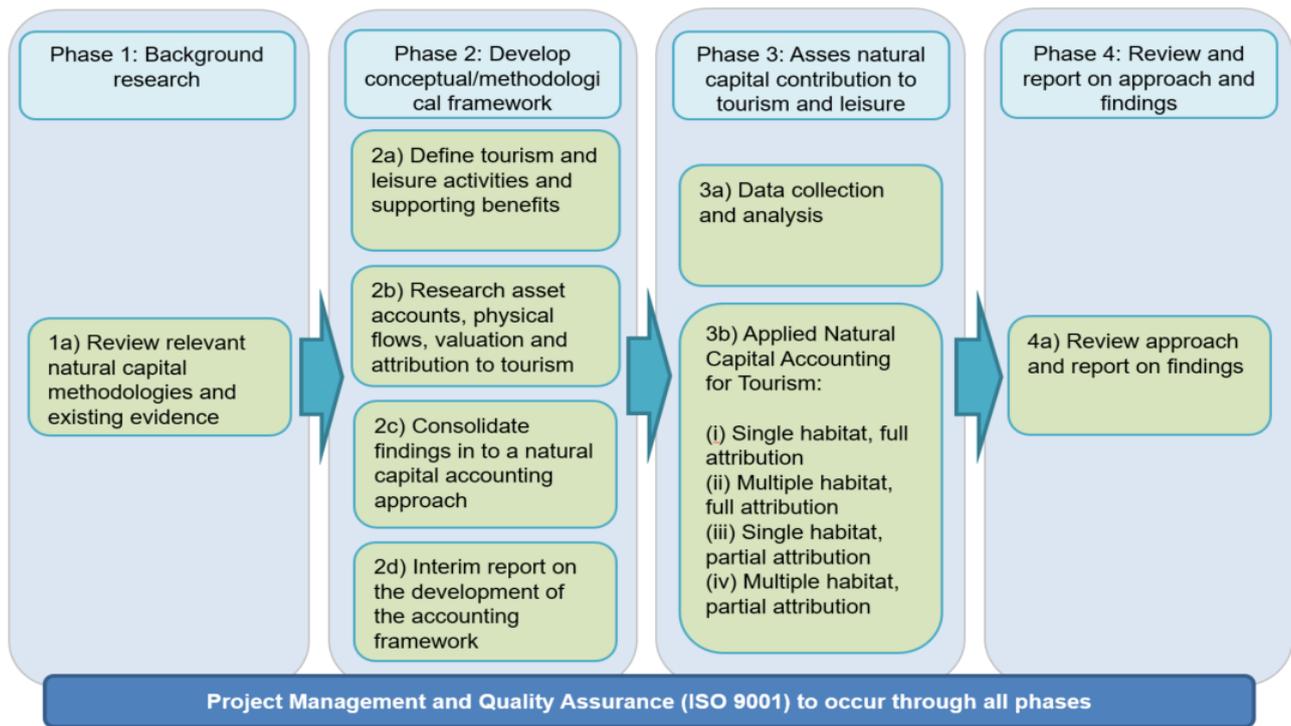


Figure 1: Project approach

After project inception, phase 1 will review existing evidence, including literature on tourism and outdoor leisure, and existing natural capital accounts. Phase 2 will develop the conceptual framework and detailed methodology to produce natural capital accounts for tourism and outdoor leisure. Phase 3 will apply this method to produce initial accounts. Phase 4 will review the approach and report on findings. This approach will be monitored through a series of milestone meetings and deliverables, summarised in Table 1. To develop the technical methodology and build the accounts effec have assembled a team of experts and practitioners who specialise in the skills required to successfully deliver this project, as shown in the team structure in Figure 1 in E03 Project Team.

Project Inception

Phase 1: Background research

Task 1a: Review relevant natural capital methodologies and existing evidence

Global population, economic growth, and ongoing loss of biodiversity and ecosystems have resulted in increased attention on the dependence of economies on natural systems (Global Biodiversity Outlook 3, 2010⁴), and the risk to business of ecosystem loss⁵. This has led to initiatives for better and more consistent ways to measure the role of the natural environment in supporting human wellbeing. One such initiative is the System of Environmental – Economic Accounting Experimental Ecosystem Accounts (SEEA-EEA). In

⁴ <https://www.cbd.int/gbo/gbo4/publication/gbo4-en.pdf>

⁵ <https://www.mercer.com/content/dam/mercer/attachments/global/wef-global-risks-report-2016-mercer.pdf>

the EU, initiatives have developed through the 7th Environment Action Programme and the EU Biodiversity Strategy to 2020, which include objectives to develop Natural Capital Accounting (NCA) in the EU, with a focus on ecosystems and their services.

These methods are now being updated using learning from ongoing testing internationally through the WAVES programme⁶ and through applications in individual countries. These initiatives demonstrate how different context specific approaches may be developed which can feed in to EU-wide ecosystem service accounts and the continued development of the SEEA-EEA more generally. These activities have led to advances in approaches to national ecosystem and natural capital accounting.

The SEEA EEA's technical guidelines are currently under revision, with the intention to reach agreement on as many aspects of ecosystem accounting as possible by 2020. One important step towards this 2020 target has been the "Expert meeting on Ecosystem Valuation in the context of Natural Capital Accounting", held under the auspices of the German Federal Agency for Nature Conservation and the UN Statistical Division in April 2018 in Bonn, Germany. The meeting discussed crucial aspects of this revision, in particular with regard to the valuation concepts for ecosystem services and ecosystem assets (revision issue 4), valuation methods for key ecosystem services (revision issue 5) and accounting for ecosystem capacity, degradation and enhancement (revision issue 6).

Eftec are aware of such progress made on the SEEA EEA, and other recent developments in the broader application of natural capital accounting in the UK and internationally. Eftec will draw on this knowledge, and a review to cover relevant literature on natural capital accounting and ecosystem services valuation approaches for broad habitats which support tourism and outdoor leisure (e.g. Defra's principles paper, Scottish Government, 2015. Natural Capital Asset Index, The Norwegian Nature Index, 2016 and KIP INCA programme of the EU). The valuation approaches examined will include the methods and data layer behind the ORVal tool for recreation in England and Wales, and approaches in other UK environmental accounts (e.g. recreation, marine, woodland). Some specific issues to be examined in relation to natural capital accounts will include:

- Identification and measurement of natural capital assets (e.g. extent, location, accessibility and asset condition) that support tourism and outdoor leisure;
- Physical flows and any relevant subdivisions for tourism and outdoor leisure benefits;
- Valuation approaches (e.g. welfare or exchange values for benefits); and,
- More generally, the research will seek to inform:
- The definition of tourism and outdoor leisure with respect to dependence on different natural capital assets and ecosystem services;

⁶ <https://www.wavespartnership.org/>

- The distinction between benefits to participants in tourism and outdoor leisure activities, and benefits to the businesses which at least to a degree rely on these activities; and,
- The attribution of benefits between natural and other forms of capital, including reference to published work previously carried out by members of effec project team⁷, and between different supporting broad habitats.

The review will be directed by the principles and purpose of national natural capital accounting to establish a rigorous and replicable process, allowing reliable comparisons across geographical areas and other natural capital accounts. An initial list of data sources to be consulted include all those listed in section the ITT, and additional sources such as:

- The Monitor of Engagement with the Natural Environment (MENE) survey;
- British Marine Federation Annual Watersports Participation Surveys;
- Spatial distribution and intensity mapping (e.g. <https://labs.strava.com/heatmap/>); and
- ORVAL publicly available datasets for England and Wales.

A virtual internal meeting will be held in week three to discuss the available evidence, review findings and implications for Phase 2.

➤ Meeting II: Internal meeting (week 3)

Phase 2: Develop framework for tourism and outdoor leisure accounts

Task 2a: Define tourism and outdoor leisure activities and supporting benefits

In order to assess the contribution natural capital makes to tourism and outdoor leisure, effec first need to have a clear understanding of what tourism and outdoor leisure encompasses. This will require breaking down tourism and outdoor leisure activities into a relevant typology and grouping activities where it is logical to do so in regard to the adopted methodology of assessment. For example, it may make sense to combine activities such as 'surfing', 'swimming at a beach', and 'coasteering' into a single category of activities, based around the type of broad habitat which supports them (Coastal margins), and similarity in the likely attribution to that habitat.

This raises another issue, how to delineate among types of capital which support a tourism or outdoor leisure activity. Sometimes these are mutually dependent, in the sense that the activity would not occur without the built capital, but neither would the built capital exist without the natural capital that the activity depends on (e.g. surfboards to surfing and surf). Others are not mutually dependent for their existence (e.g. binoculars to birdwatching). The project will work out practical rules for this distinction along the lines above, without

⁷ Jones, L. et. al (2016). Stocks and flows of natural and human-derived capital in ecosystem services. Land Use Policy, 52, 151-162.

getting too entwined in the nuances of the issue to be able to progress the natural capital accounts pragmatically.

A clear separation between 'tourism' and 'outdoor leisure' will also be defined. Initially the distinction at least partially draws from motivation and length of stay. Tourism can generally be thought of as involving overnight stays, whereas outdoor leisure could represent a wider range of activities, not necessarily involving any significant financial outlay or overnight stays. As a starting point, eftec will draw on Visit Britain's GB Day Visits Survey⁸ definitions of "3 hours + Leisure Day Visits" (being a leisure visit of more than 3 hours from leaving home to returning), and a subset of these as "Tourism Day Visits", which additionally must not be undertaken on a regular basis, and must be in a location different from the place the participant lives or works.

One possible starting point is the UK National Ecosystem Assessment (UKNEA) Technical Report (2011) Cultural Services chapter⁹, which outlines the difficulty in defining the boundaries of tourism and outdoor leisure activities, and therefore the natural capital benefits which support them. Eftec will distinguish between the two categories as much as is reasonably feasible and be transparent where overlap remains in the accounts. The itemised nature of the accounts will make this clearer than an overall economic value of tourism generated by other evaluation approaches.

It is likely that the approach developed will require an innovative combination of existing data. To achieve this, the project team will hold an in-person internal method development meeting. eftec have applied such an approach successfully in previous accounting work. It brings different skills together to combine knowledge of data and experience of using them to develop the required logic chains (see Methodological Considerations section below).

➤ Meeting III: Internal methodology meeting (week 4)

Task 2b: Research asset accounts, physical flows, valuation and attribution

In parallel with defining what 'tourism' means, eftec will develop meaningful definitions of natural capital's contribution to tourism and outdoor leisure. For example, it may be useful to provide further thematic detail for some of the broad habitats, breaking down coastal margins into hard coasts (to cover coastal footpaths along cliffs) and soft coasts (to encompass beaches, estuaries etc.). Equally important will be to explore the extent to which ownership and accessibility affect public use of natural capital. Eftec will test these ideas in one or more case study areas to demonstrate proof of concept for three components of the methodology:

- Availability of data on natural capital extent, location, and attributes;

⁸ <https://www.visitbritain.org/gb-day-visits-survey-latest-results>

⁹ <http://uknea.unep-wcmc.org/Resources/tabid/82/Default.aspx>

- Availability of data on use by people of different components of natural capital;
- Ease of spatial modelling required to assess its use.

Eftec will also define terrestrial and marine habitat boundaries, drawing on: existing scoping work for coastal margins and marine NC accounts, and additional activity sources (see Methodological Considerations section below). Eftec will consider options for attribution either based on activity distribution and intensity, or habitat type, or a combination of both. Eftec's project team has specific expertise in tourism research and analysis, and is currently working with VisitBritain and with VisitScotland, and will provide guidance and support in using and applying data from the three main national tourism surveys:

- GB Tourism Survey (domestic overnight visitors);
- International Passenger Survey (international overnight visitors);
- GB Day Visitor Surveys (day trips).

These provide a consistent source of tourism information and the basis for repeatable account content in the future. Eftec will review the questions, data and reliability as an appropriate input into the development of the national accounts. For example, the above surveys ask questions on the main reasons for the visit. This can be coupled with information on where they stayed, activities they engaged in, and how much they spent. This would provide a starting point for assessing the importance of natural assets in influencing trips within the UK and the ways in which visitors (and day trippers) spend their money.

Specific challenges around attribution and valuation will also be researched and addressed. Attribution will require assumptions about the proportion of tourism and outdoor leisure activities supported by natural capital and other forms of capital such as built infrastructure. Within the natural capital-related activity, the distribution across the various broad habitats will then need to be determined. The role of natural capital assets will vary in different parts of the country and for different activities. Eftec will look across the activity and sector data to define a repeatable method for attributing tourism expenditure and the output of tourism-based businesses to broad habitats (see Methodological Considerations section below more details). Eftec will also ensure the assumptions do not 'over-count' the role of natural capital, in the sense that if they were consistently applied to other forms of capital, the sum of the amounts attributed would not exceed 100% of total value.

The approach to using monetary valuation will consider both the consumer surplus accruing to participants, and producer surplus accruing to businesses which rely on the natural capital asset. A welfare approach is informative in this case, as relying on activity expenditure will not record the contribution that natural capital provides through activities that do not require direct expenditures (e.g. walking) but which support expenditures recorded in other sectors (e.g. at cafes).

Task 2c: Consolidate findings in to an approach for natural capital accounting

Under this task the team members leading the research strands (i.e. the method and attribution issues described in Tasks 2a and 2b) will be asked to consolidate the information gathered to develop the proposed approach. Drawing on eftec's knowledge of building natural capital accounts, and the tourism and outdoor leisure specific research conducted for this project, approaches to natural capital accounts for tourism and outdoor leisure will be defined.

Task 2d: Report on development of accounting framework

At the conclusion of Phase 2 an interim report will be produced summarising the findings from the research and outlining the potential approaches to natural capital accounts for tourism and outdoor leisure. This report will discuss the methodologies to be employed, considering their feasibility (e.g. is data available), practicality (e.g. cost of production), replicability for ongoing accounting, data gaps (and potential to fill them) and boundaries with other accounts. A meeting will then be held to discuss the findings from the consolidated research and the adopted approach.

- Deliverable II: Interim report (week 12)
- Meeting IV: Progress meeting (week 13)

Phase 3: Assess natural capital contribution to tourism and outdoor leisure

Phase 3 will apply the methodology developed in Phase 2.

Task 3a: Data collection and analysis

The initial task in Phase 3 will be to collect all necessary data available from the sources identified in Phase 2. Data collection often requires significant time and this is reflected in the project programme. As the data is collected it will be analysed for suitability and where found insufficient either alternative data will be sourced, or reasonable assumptions adopted to ensure as far as possible that a sound evidence base forms the foundation of the accounts.

Spatial data on accounts and use, and any necessary 'physical flow' components of the terrestrial and marine accounts will be collated and processed with the use of specialist tools such as GIS software (ArcGIS v10). Where data is processed to develop derived data layers eftec will prepare data processing logs providing a step-by-step process for data layer creation. All data layers will be accompanied by appropriate MEDIN metadata. GIS will also be used as an analytical tool, for example to establish the extent and accessibility of features such as moorings, footpaths or common land, and their distribution across broad habitats, to potentially inform the account. Accessibility can be investigated

using data layers such as the footpaths and accessible sites within the ORVal tool, and similar OS data sets.

➤ Meeting MV: Progress meeting (week 19)

Task 3b: Applied Natural Capital Accounting for Tourism

The methodology developed in Phase 2 will be applied drawing together habitat extent / spatial boundary, condition characteristics, and valuation data into an initial account of natural capital's contribution to tourism and outdoor leisure. In line with other natural capital accounts, which are experienced in developing, the tourism and outdoor leisure account will have separate reporting schedules for the extent and condition of assets (asset register), physical flows (benefit provision) and monetary flows (valuation). These will be used to create an initial natural capital asset valuation for tourism and outdoor leisure.

The method developed (see the Methodological Considerations section below) will apply to the three distinct approaches to estimating contribution as defined in the tender specification, namely:

1. For certain service subsectors of the economy (e.g. canoe hire), it should be possible to estimate the contribution of a particular type of ecosystem or broad habitat to the economic benefit received by the particular services subsector.
2. For some other service subsectors (e.g. fishing equipment hire, birdwatching tours), the contribution of the UK natural capital to the provision of an economic service may be similarly identifiable, but it will be necessary to allocate the total to two or more different types of broad habitats
3. For a significant number of other service subsectors (e.g. tourist accommodation), only a proportion of the sectoral output can be viewed as benefitting from a contribution by UK natural capital. In these cases it will be necessary to estimate not only how much of the output of the sector relates to tourists and other visitors to the natural environment, but also which types of broad habitats are dependent on

➤ Deliverable DIII: Draft report (week 23)

Phase 4: Review and report on approach and findings

Task 4a: Review and report on approach and findings

The final task will be the creation of a final report which will capture all of the work of the project tasks and include a technical summary. The report will outline the methods used, emergent findings, and overall results and discuss the overall applicability of the adopted approaches to attribution (see the Methodological Considerations section below), including any limitations and challenges along the way.

The report will also comment on compatibility with other accounts (e.g. recreation, marine, woodland), how they might complement each other and risks around overlap and double counting where disaggregation is not currently possible. A discussion will be included covering the merits of the three approaches, how well they correspond to each other, and conclusions about how to interpret and use the results. The sensitivity of results to assumptions used, in particular for attribution to natural capital in general and across broad habitats, will be tested.

Eftec will interpret the final results, considering the scale of natural capital contributions to tourism and outdoor leisure, and their overall importance to the British economy and society in general, and the implications for investment in natural capital assets. This will lead to further discourse on how such accounts can be used in general, what their continuing application may be in the tourism and outdoor leisure sector, and where future development of the accounts should focus.

- Meeting VI: Final Meeting (week 28)
- Deliverable IV: Final Report (week 30-32)

Workplan

A list of tasks under the project phases, which tender requirements they address, and accompanying meeting and deliverable milestones is shown in Table 1.

Table 1: Project tasks, requirement met and milestones

Tasks	Requirement met	Deliverables	Meetings
Project management		DI. Inception report	MI. Inception meeting
Phase 1) Background research			
1a) Review relevant natural capital methodologies and existing evidence			MII. Internal meeting to review findings
Phase 2) Develop conceptual / methodological framework	Requirements 1,2		
2a) Meet to define tourism and outdoor leisure activities and supporting benefits			MIII. Internal meeting to define
2b) Research asset accounts, physical flows, valuation and attribution			
2c) Consolidate findings in to an approach for natural capital accounting			
2d) Report on development of accounting framework		DII. Interim report	MIV. Progress meeting to discuss findings
Phase 3) Assess natural capital contribution to tourism and outdoor leisure	Requirement 3		
3a) Data collection and analysis			MV. Progress meeting to discuss data
3b) Develop tourism values for NC accounts		DIII. Draft report	
Phase 4) Review and report on approach and findings	Requirements 4,5		
4a) Review and report on approach and findings		DIV. Final report	MVI. Final meeting to discuss findings
Quality assurance			

Methodological Considerations

Identify key services which support tourism and outdoor leisure and the broad habitats that provide them

The process of natural capital accounting organises data on: the extent and condition of stocks of relevant assets; the physical flows of benefits they provide; monetary values of those flows; and asset values by capitalising the expected future values of those flows.

The first step in natural capital accounting is to develop asset registers; these are measures of the quantity and quality of natural capital assets in a defined geographic area or sector. For this project the tourism and outdoor leisure sector needs to be defined and then the scope of ecosystem services which materially benefit the sector must first be defined. An ecosystem service would not be material if it does not provide significant benefits to tourism and outdoor leisure, or if there is a lack of evidence.

The criteria for inclusion will be discussed at the inception meeting and refined during the research conducted in Phase 2. A key area will be cultural services, and particularly on recreational services. However, tourism and outdoor leisure activities can benefit from other service types, such as regulating services (which help maintain an attractive environment for tourism and outdoor leisure activity) that are indirect but, nevertheless, may be captured by other natural capital accounts.

Once the priority ecosystem services have been established the next step is to identify the natural capital assets (by broad habitat) that (co)provide these services and measure their quantity and location (extent) and other attributes such as accessibility. As with other natural capital accounts, in defining the extent of the relevant natural capital there will be a trade-off between specifying an accurate boundary and incorporating the full range of impact. This is non-trivial and must balance conceptual and practical considerations such as: activity is often defined by site boundaries which do not exactly match habitat boundaries; there will usually be multiple habitats within a focal site for tourism/ outdoor leisure activity; usage/benefit boundaries between terrestrial and marine need to be defined for coastal habitats; natural capital definitions need to be compatible or allow read-across to other individual and aggregate UK accounts based on land cover.

Using spatial datasets (GIS, Ordnance Survey data), eftec will scope a range of options to link outdoor leisure and tourism data (e.g. from MENE dataset) to locations and the type and character of natural capital at that location. This will include assessing (linear) distance travelled to a tourism/outdoor leisure location, as well as more complex measures such as travel time which are better suited to economic analytics. This task will identify the broad habitats which contribute to tourism and outdoor leisure activities, linking land-cover/ ecosystem functional units (LCEU), and with locations used for tourism and outdoor leisure.

It will also examine the condition characteristics that influence the delivery of the key services from the broad habitats identified. This will scope 'logic chains' for each of the key services - a structured presentation of the pathway from the extent of natural capital assets to what key services they generate and the benefits of these services for society. They link the ecosystem characteristics to service provision, so are reliant on scientific and economic evidence and understanding of ecosystem functioning. They enable distinction between final ecosystem services, goods/ services and benefits produced; help attribution of value between natural and other capitals; and inform links to the System of National Accounts (SNA, 2008).

Relevant characteristics in this study will include the biophysical, social, and spatial elements of natural capital to deliver services to beneficiaries in a given location¹⁰. In Task 2a eftec will create logic chains for each material natural capital asset type/LCEU asset and ecosystem service to identify the factors that determine the level of service (and benefit) from a given broad habitat.

Assess physical flow

Physical flow accounts for tourism and outdoor leisure will track the actual benefits received by participants in the activities. Within each broad habitat the identified ecosystem services can be measured as in other accounts, but with the unique focus on impacts on tourism and outdoor leisure benefits and subsequently on the tourism and outdoor leisure sector of the economy. To understand the benefit natural capital assets provide to tourism and outdoor leisure activities, an understanding of the use of these broad habitats by people involved in tourism and outdoor leisure activities must be quantified.

This will partially rely on data used in relevant UK natural capital accounting work. Eftec will adopt readily available data to measure tourism and outdoor leisure activity such as number of visitors of different types, length of stay, types of accommodation used, etc, including from potential resources described under Task 1a.

Values will be attributed spatially based on the methodology determined earlier in the project using GIS. A key issue will be availability of spatially tagged data for use in GIS mapping. CEH develop and hold the Land Cover map for the UK, which is a vector product with a minimum mappable unit of 0.5 ha. For national accounts across broad habitats, this resolution is expected to be sufficient. Along with more localised data sources for tourism and outdoor leisure usage, eftec will consult sources such as GB Tourism Survey and ONS Tourism Satellite Accounts.

¹⁰ Phillips, P.M., and João (under review Ecosystem Services). Demand-led urban land use planning – a new framework using ecosystem service 'coldspot' mapping.

Conduct valuation of annual benefits and asset values over time

The final step is the creation of monetary flow and asset accounts. Valuation options will be adopted based on the research conducted in Phase 2, and draw upon existing valuation work under the Natural Capital Accounting Roadmap and wider literature. These will be applied based on their accuracy and relevance, and whether they will help monitor losses and gains in natural capital over time.

A number of challenges need to be addressed. In particular, the use of exchange versus welfare values, and the attribution of value between participants in tourism and outdoor leisure activities, and the benefit to local businesses which depend on the broad habitat(s).

As a desk-based study this project will rely on transfer of assumptions and valuation data (the process to selecting and, where necessary, adjusting value evidence to apply in decision-making). Suitable value transfer evidence will be selected based on the full range of context factors identified in the UK best-practice guidelines (developed by eftec for Defra), key amongst which are: What is the good? What is the change? Whose values? Which monetary value evidence? Assumptions can also be transferred from related recreation evidence, for example on attractiveness of green infrastructure to visitors (which can be characterised as natural capital; or as “a loo, a brew and something to do” – Source: Sheffield Wellbeing Research: <http://iwun.uk/>)

After annual values are determined, valuation options will be applied using consistent assumptions like time horizons/ discounting and expected service flows across aspects of NPV (identified by ONS¹¹) to determine asset value. Uncertainty around projecting value over time periods will be considered, where some aspects, such as population growth, are relatively easy to develop predictions for, other aspects for which a greater degree of unpredictability is inherent will likely be based on conservative assumptions.

Establish approach to attribution

A specific challenge of creating accounts for tourism and outdoor leisure comes from the fact that the activities which people participate in are supported by both natural and built (and other) forms of capital. Attributing the value of participants' benefits to the different types of capital, and to different broad habitats within natural capital, is both challenging and crucial to the project. Eftec understand this challenge as comprising two fundamental methodological questions. The first is attribution to a single or multiple forms of capital¹², or otherwise phrased, the level of ecosystem dependence. The second is attribution to a single or multiple habitats.

¹¹ Khan, J et al (2014) Natural Capital – Initial and Partial Monetary Estimates.

¹² For the purposes of natural capital accounting, it is taken as a given that a single form of capital always refers to natural capital, while multiple forms of capital will at least include natural capital.

These are separate but intersecting methodological issues, which can be viewed as a 2X2 matrix (see Figure 2), creating four scenarios:

- i. Single habitat, full ecosystem dependence
- ii. Multiple habitat, full ecosystem dependence
- iii. Single habitat, partial ecosystem dependence
- iv. Multiple habitat, partial ecosystem dependence

Note that these scenarios directly correspond to the three distinct approaches to estimating contribution as defined in the tender specification. Eftec's scenario (i) addresses tender approach 1 Eftec's scenario (ii) addresses approach 2, and Eftec's scenarios (iii) and (iv) address approach 3.

# Habitats % Ecosystem dependence	Single habitat (=1)	Multiple habitats (>1)
Full ecosystem dependence (=100%)	i. 	ii. 
Partial ecosystem dependence (<100%)	iii. 	iv. 

Figure 2: Attribution scenarios

Eftec's research will propose and test a methodology for attributing value between types of capital, and for attributing value between habitats, and then apply these two approaches as a dual methodology to the four scenarios. While the methodological development will be cross cutting to make full use of the multi-disciplinary team, eftec's tourism specialists will focus on attribution of value across types of capital (discussed under Task 2a), and eftec's ecosystem specialists will focus on attribution across habitats.

Habitat attribution criteria will be informed by disaggregation methods used in the literature, research into the assets involved (such as the proportions of broad habitats present at recreation sites) and dependence on ecosystem functions (e.g. such as the importance of catchments and wetlands in ensuring water quality sufficient for safe recreational use). An attribution system reflecting ecosystem dependence will need to capture the contributions from relevant habitats. It will need to be specific enough to give guidance at different scales (such as regional areas of management and reporting), and

flexible enough to be applicable across the range of habitat factors involved in attributing the value of natural capital to tourism and outdoor leisure.

The attribution approaches developed will be applied across scenarios (Figure 2), but also across different scales, from local, activity-based assessments, to national, sector-based assessments, to ensure their general applicability. A demonstration of this at the sub-national level (e.g. National Park) will provide some indication as to the issues involved.

Efttec will capture the attribution approaches in the logic chains developed in Task 2a. Attribution may be applied in the physical flow and/or monetary flow accounts, and will need to use expert judgement (informed by sensitivity analysis) to balance practicality and accuracy.

Charge Description	Staff costs					Total (ex. VAT)
	Name	Job Title	Day rate	No. days	Total cost	
Phase 4: Review and report on approach and findings	[REDACTED]					[REDACTED]
Phase 4: Review and report on approach and findings						
Phase 4: Review and report on approach and findings						
Quality Assurance						
Quality Assurance						
Quality Assurance						
Quality Assurance						
Any other costs						
Totals						£69,825

Travel & Subsistence may be charged providing it is agreed in advance and is in line with Defra Policy detailed in Schedule 4 below.

SCHEDULE 3 - PROCESSING, PERSONAL DATA AND DATA SUBJECTS

1. This Schedule shall be completed by the Customer, who may take account of the view of the Contractor, however the final decision as to the content of this Schedule shall be with the Customer at its absolute discretion.
2. The contact details of the Customer Data Protection Officer are:
[REDACTED]
3. The contact details of the Contractor Data Protection Officer are:
[REDACTED]
4. The Contractor shall comply with any further written instructions with respect to processing by the Customer.
5. Any such further instructions shall be incorporated into this Schedule.

Data Processing descriptor	Narrative
Identity of the Controller and Processor	The Parties acknowledge that for the purposes of the Data Protection Legislation, the Customer is the Controller and the Contractor is the Processor in accordance with Clause 13.1.
Subject matter of the processing	Tourism values for Natural Capital Accounts – the contribution of ecosystems to tourism and leisure
Duration of the processing	Duration of the contract
Nature and purposes of the processing	To deliver the objectives of the contract. To identify the links between leisure and tourism activity and ecosystems, as defined in the proposed project methodology.
Type of Personal Data	Name, telephone number, email address
Categories of Data Subject	Tourism bodies including, but not limited to, Visit England, Visit Scotland and sector bodies such as Angling Trust, Ramblers Association.

Data Processing descriptor	Narrative
<p>Plan for return and destruction of the data once the processing is complete</p> <p>UNLESS requirement under union or member state law to preserve that type of data</p>	<p>Processed data will be retained for 6 years in line with clause 17.1. Any personal data will be destroyed in accordance with our data management policy and the terms of the contract</p>

Schedule 4 - Travel and Subsistence

All Travel and Subsistence should be in line with Defra's Travel and Subsistence Policy. Claims should always be supported by valid receipts for audit purposes and must not exceed any of the stated rates below. Should the stated rate be exceeded, Defra reserve the right to reimburse only up to the stated rate.

Rail Travel

All Journeys – Standard class rail unless a clear business case demonstrating value for money can be presented. This includes international rail journeys by Eurostar and other international and overseas rail operators.

Mileage Allowance

Mileage Allowance	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Private cars and vans – no public transport rate*	45p	25p
Private cars and vans – public transport rate	25p	25p
Private motor cycles	24p	24p
Passenger supplement	5p	5p
Equipment supplement**	3p	3p
Bicycle	20p	20p

*NB the 'no public transport rate' for car and van travel can only be claimed where the use of a private vehicle for the journey is essential e.g. on grounds of disability or where there is no practical public transport alternative. If the use of the vehicle is not essential the 'public transport rate' should be claimed.

** Under HMRC rules this expense is taxable.

UK Subsistence

Location	Rate (Upper Limit)
London (Bed and Breakfast)	£130
UK Other (Bed and Breakfast)	£75
Rates for specific cities (bed and breakfast)	Bristol £100 per night Weybridge £100 per night Warrington £90 per night Reading £85 per night