

# NERR092 Appendix 7 Natural Capital Account for the Tees Valley

Natural England's Natural Capital Evidence Handbook helps you come to a strategic understanding about the natural environment in your place using natural capital evidence. This Evidence Information Note helps you access resources related to the Natural Capital Account for the Tees Valley.

## Background

Natural England's natural capital account for the Tees Valley follows the innovative approach adopted in [Accounting for National Nature Reserves: A Natural Capital Account of the National Nature Reserves managed by Natural England - NERR078](#) (Sunderland and others 2018). The trial applied the account methodology to a local area, the Tees Valley. It aimed to explore whether an approach to natural capital accounting can be developed that is informed by [Natural England's County/City Region scale Natural Capital Atlases](#) and can be replicated in other areas.

## What did we do?

- The account covered all natural capital, regardless of ownership, within the boundary covered by the Tees Valley Combined Authority (TVCA).
- Used an **extended balance sheet** to show the state of ecosystem assets, services, benefits and their economic value next to each other.
- Where quantified data was missing, we estimated the significance of ecosystem service provision and benefits qualitatively using stakeholder expert judgement.
- To provide further transparency we used confidence levels (shown as a **Red – Amber – Green** traffic light rating) to indicate the quality and appropriateness of the information behind the value figures.
- Asset quality indicators have been chosen as a set of indicators that represent the state of the environment across a range of functions (e.g. hydrology, species composition), using nationally available and accessible data.
- Where possible these are based on the indicators mapped in the Tees Valley Natural Capital Atlas (a modified version of [NC Atlas 26](#) produced specifically for this project).
- Atlas indicators have been supplemented with additional publically available datasets where appropriate.
- We compared estimates of asset quality indicators for the Tees Valley with national estimates to provide context to these indicators.
- Where data was unavailable for ecosystem services we used indicators of asset quantity as a proxy, for example cropped area rather than crop production.
- We explored how the results of the account could be used in decision-making through a case study that focussed on the delivery of net zero carbon.

# NERR092 Appendix 7 Natural Capital Account for the Tees Valley EIN057

## Outputs: What is available to use?

Tees Valley Accounts publications are forthcoming on [Natural England's Access to Evidence](#) publications catalogue and will include:

- Executive non-technical summary report.
- Full report with detailed methodology, results and Tees Valley Atlas.
- Case study of how natural capital accounting can inform net zero carbon.

## Lessons Learned

- The results show the importance of natural capital in the Tees Valley, delivering annual benefits in excess of £100 million through recreation opportunities, improved air quality, thriving wildlife, water supply and flood mitigation.
- The significance local stakeholders placed on benefits that we could not monetise shows the partiality of our value, and that non-monetised benefits are likely as large as or larger than those we have quantified.
- The presentation of information on assets, services, benefits and values together seeks to avoid this problem of partial accounts that occurs in natural capital accounting.
- This account, together with the Tees Valley Natural Capital Atlas provide an extensive baseline against which future assessments, of ecological asset quality, ecosystem service delivery and benefits can be compared.
- Our approach was exploratory, with the objective of using Natural Capital Atlas indicators and supplementing this only with publically available data and methodologies that could be used and replicated in other areas. This approach has shown the difficulty of producing an account in this way, with a limited number of relevant, spatially disaggregated, national datasets and models for services and benefits.