

# NERR092 Appendix 6 Accounting for National Nature Reserves

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 of the National Nature Reserves managed by Natural England](#), winner of the 2019 John Hoy Award for the best piece of written economic analysis produced by a government economist or team.

## Background

National Nature Reserves (NNRs) protect some of England's most important habitats, species and geology. They also support research, education and recreation. Natural England used an innovative natural capital accounting methodology for the NNRs we manage to:

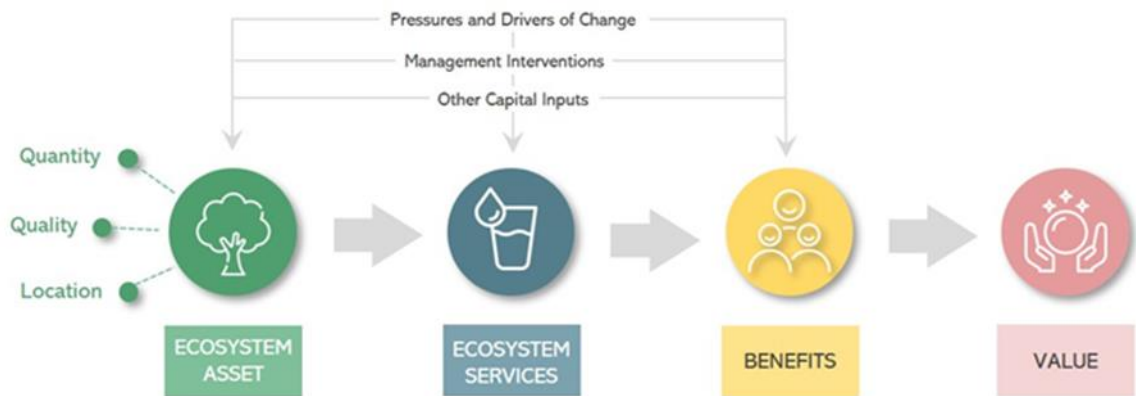
- extend traditional accounting to include non-market benefits provided by the environment, to support strategic decision making;
- develop an approach to natural capital accounting for public bodies, and others, delivering public benefits;
- ground the accounts in the ecological evidence; and
- highlight evidence gaps and confidence levels.

## What did we do?

- Developed an **extended balance sheet**, to show the state of our ecosystem assets, services, benefits and their economic value next to each other.
- Based the approach on a natural capital logic chain (Figure 1) from [Natural Capital Indicators: for defining and measuring change in natural capital - NERR076](#), reporting on ecosystem asset extent, quality, services, benefits and values.
- Focussed on the **state of the assets** as an early-warning to potential future changes in services, benefits and values.
- Highlighted that **gaps in reporting** increase as you move towards the value end of the logic chain; natural capital accounting produces partial accounts and the overall value is substantially greater than the monetary value.
- Used **nationally available open access data**, where possible, from a range of sources.
- Used expert judgement to **estimate qualitatively the significance of ecosystem services provision**, where quantitative data is missing to draw attention to the most important ones.
- Applied **confidence levels** (red – amber –green) for the quality and appropriateness of information behind value figures.
- Learnt from the experience of our previous Corporate Natural Capital Accounting for National Nature Reserves: [Is Corporate Natural Capital Accounting appropriate for monitoring nature reserves? An assessment for National Nature Reserves managed by Natural England - NERR072](#)

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Figure 1 Natural England's Natural Capital Logic Chain based on Potschin & Haynes-Young (2011) ecosystem services cascade. (Source: Wigley and others 2020)



## Outputs: What is available to use?

[Accounting for National Nature Reserves: A Natural Capital Account of the National Nature Reserves managed by Natural England - NERR078](#) publication including:

- Executive summary report.
- Full report with detailed methodology and results.

## Lessons Learned

- The account demonstrates that Natural England's **National Nature Reserves offer substantial benefits to society**: the most important are thriving wildlife, scientific research and recreation, with climate regulation, provision of goods and broad cultural well-being also significant.
- This provides an **approach to natural capital accounts**, built on ecosystem assets, for organisations **providing public goods** over the long term, e.g. public bodies, charities and private sector with a commitment to corporate responsibility.
- The **extended balance sheet with confidence levels** reduces the risk of partial valuation being misinterpreted and presents a more complete picture to decision-makers.
- It can act as a **baseline** against which to measure change.
- It identifies **nationally available, open-access data** for use in natural capital accounts, plus data gaps.

## References

Potschin, M. & Haines-Young, R. 2011. Ecosystem Services: Exploring a geographical perspective. *Progress in Physical Geography*. 35(5). 575-594.

Wigley, S. Paling, N. Rice, P. Lord, A. & Lusardi, J. 2020. National Natural Capital Atlas. Natural England Commissioned Report Number 285.