



# A growing green agenda in the charity sector

26 February 2020



# Land, sustainability and Net Zero

---

Navigating Generation Rebellion for Institutions and Charities

Emily Norton

Head of Rural Research

# Key trends in ESG in 2020



Technology v  
planetary  
boundaries



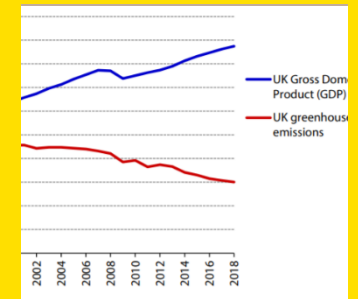
Finance, not  
marketing



Risk and 'ETBD'



Asset  
impairment



Understanding  
new targets

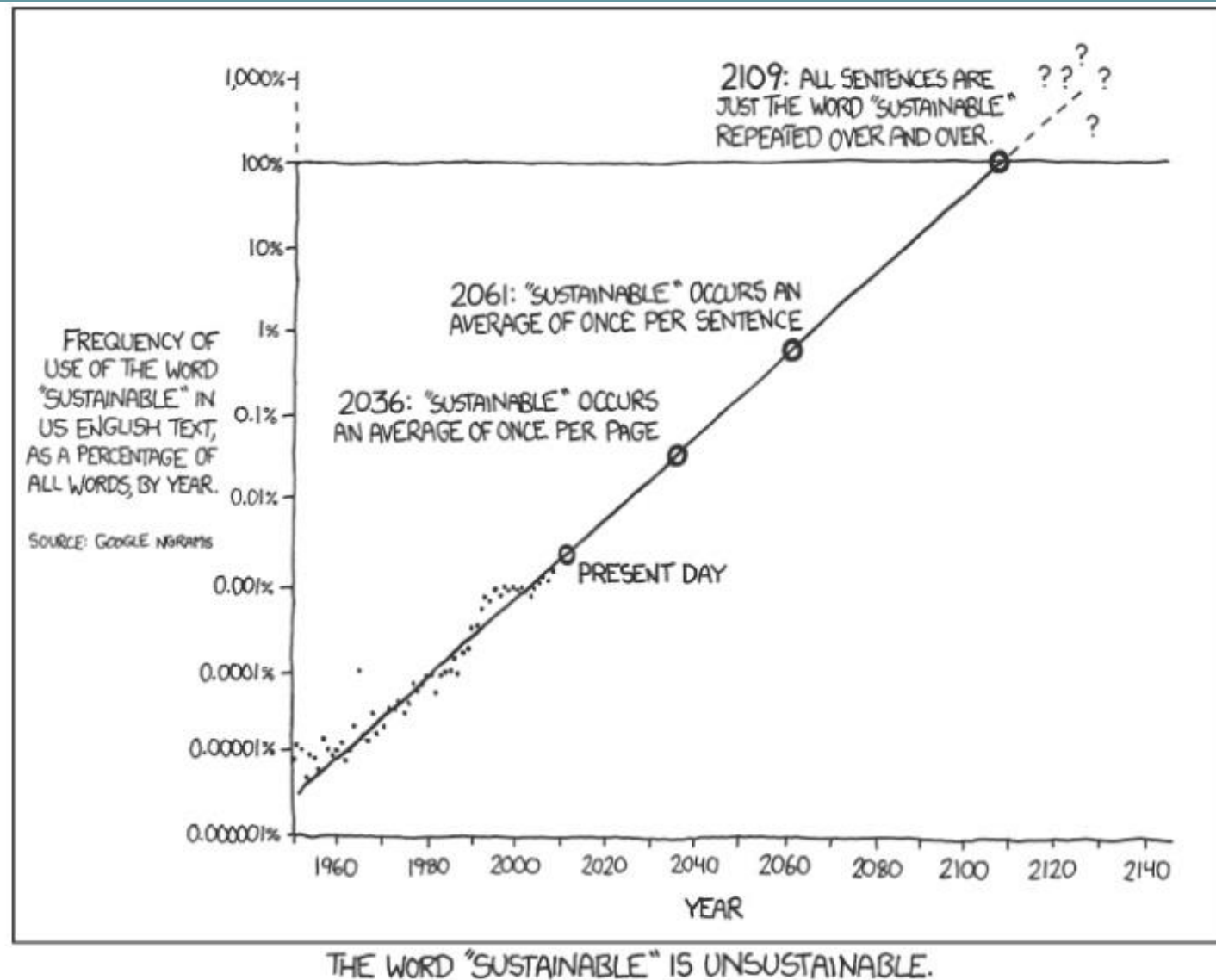


# Sustainability – a communications issue!!





# Sustainability – a communications issue...





There is a difference between being “carbon neutral”, “net zero” and “carbon negative”...

## **Carbon Neutral**

No net release of carbon dioxide into the atmosphere, especially as a result of carbon offsetting.

## **Net Zero**

A company eliminates carbon emissions as close to zero as possible, and removes any residual emissions

The WGBC supports Gold Standard carbon off-sets within their hierarchy of acceptable routes to meet net zero.

## **Carbon Negative**

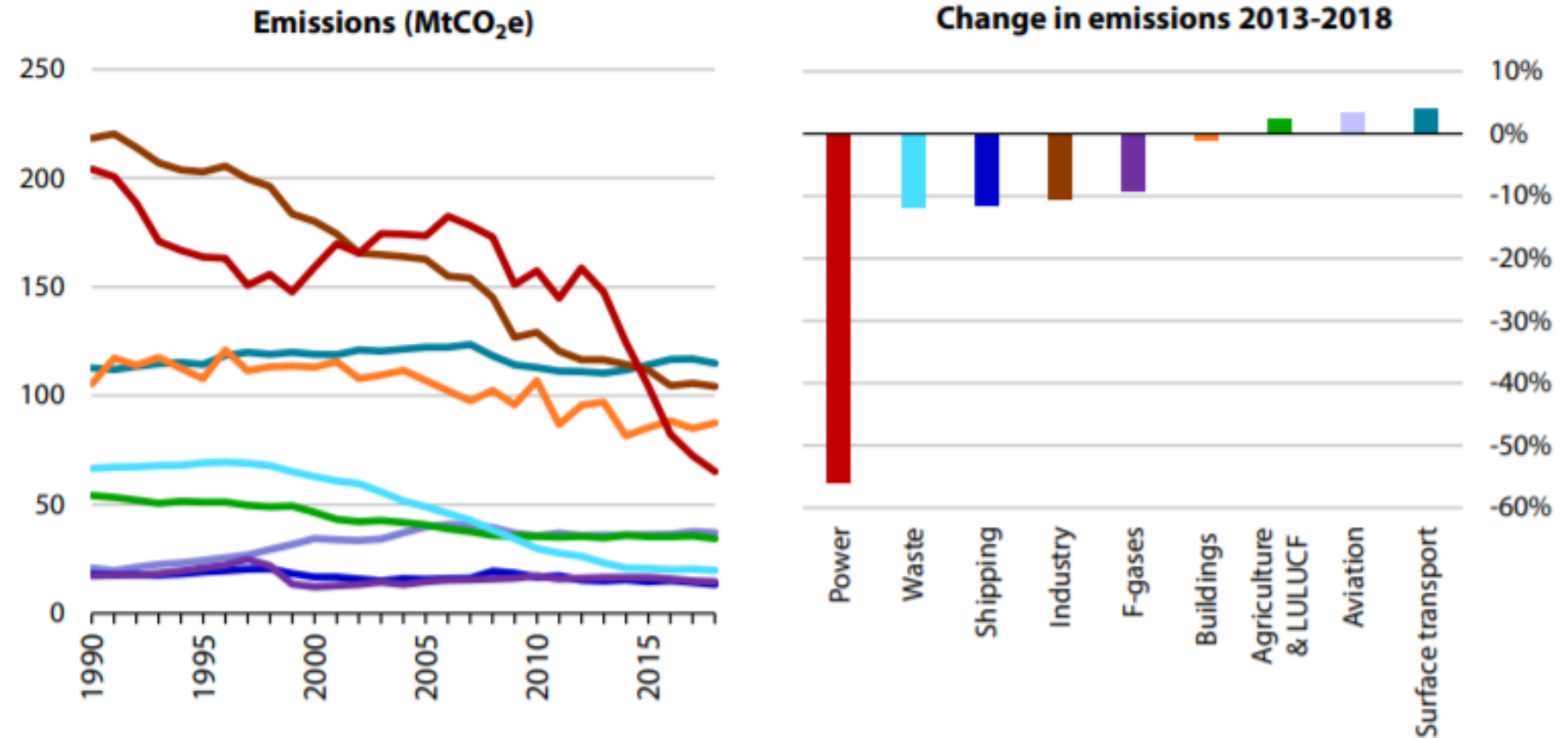
A company is removing more carbon than it emits each year.

# Net zero per sector

Agriculture is responsible for 9% of UK GHGs, over 50% of which comes from ruminant grazing

Property represents about 40% of emissions (power consumption and construction)

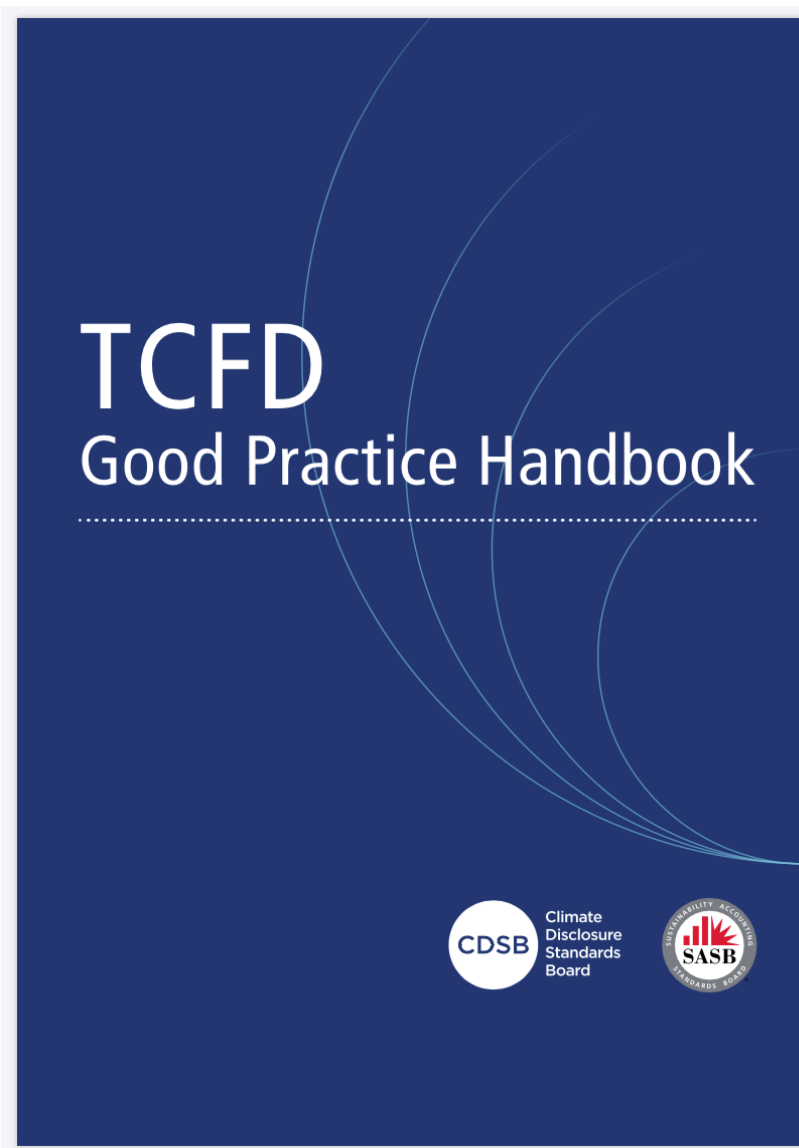
- Committee on Climate Change publishes annual reports charting progress towards each sector becoming Net Zero by 2050.
- Does agriculture need to go further so it can be a perpetual carbon sink?



**Source:** BEIS (2019) 2018 UK Greenhouse Gas Emissions, Provisional Figures; BEIS (2019) 2017 UK Greenhouse Gas Emissions, Final Figures; CCC calculations.

**Notes:** The chart on the right-hand side shows changes in sectoral emissions between 2013 and 2018 for all sectors except for Agriculture, LULUCF, Waste and F-Gases which cover the period 2013-2017; buildings

# Sustainability: operational risk disclosure



*'The Government expects all listed companies and large asset owners to be disclosing in line with the TCFD recommendations by 2022'*





Will climate-risk disclosure drive rapid change in farming practices?

# Sainsbury's NET ZERO BY 2040

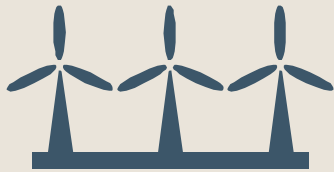
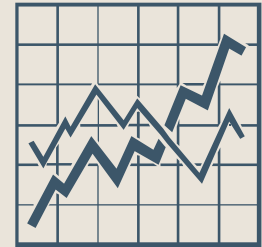
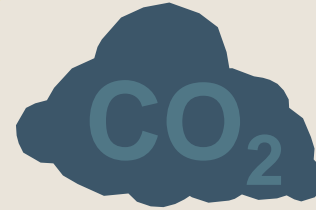
£1 billion

Sainsbury's

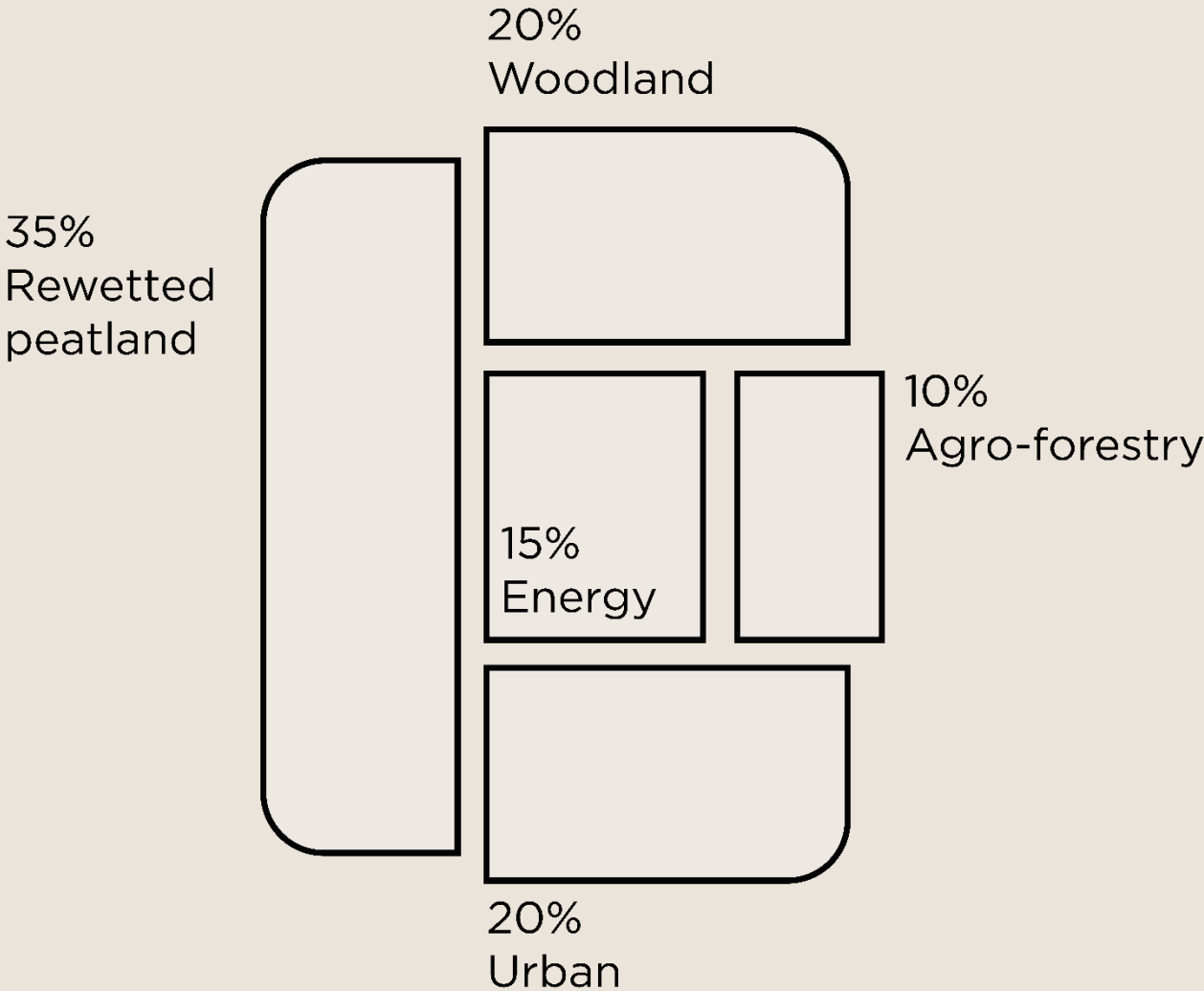
*“The investment will enable Sainsbury's to fulfil **Scope one and Scope two emissions**, putting the business on course for Net Zero a decade ahead of the UK government's deadlines.*

*Sainsbury's will work with suppliers to set their own ambitious Net Zero commitments, in line with the Paris Agreement goals.”*

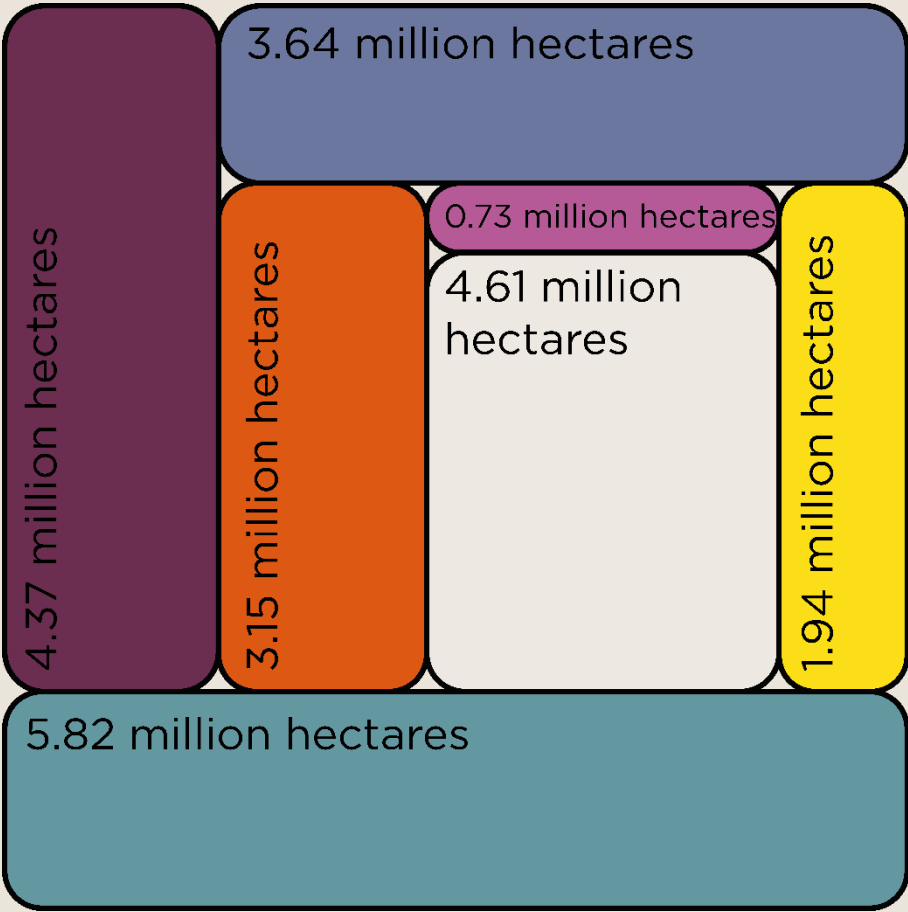
**Additional  
disclosure:  
Agriculture,  
Food and  
Forestry**



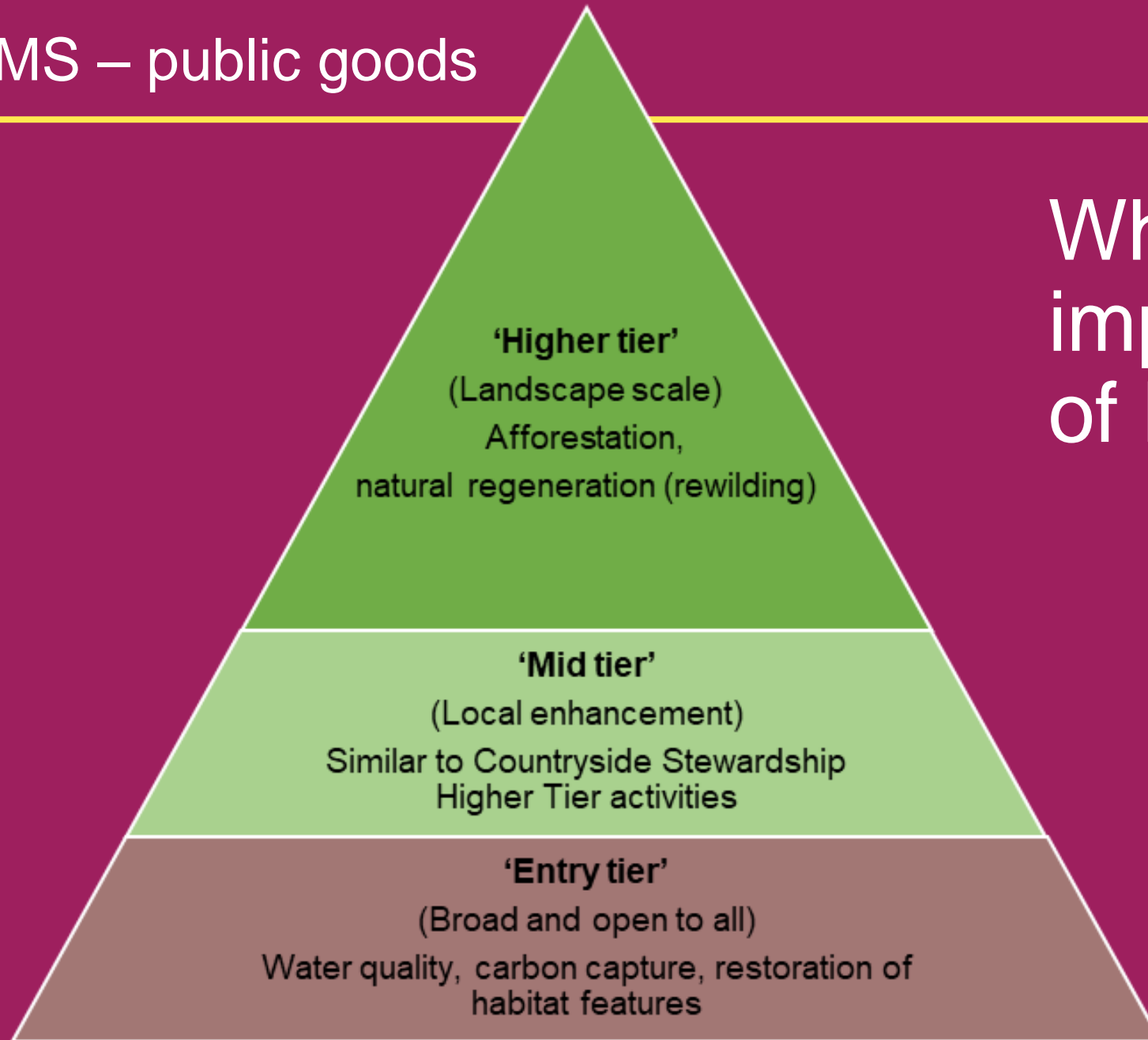
# Land use policy will take longer to catch up



Land released to meet Net Zero reduction target



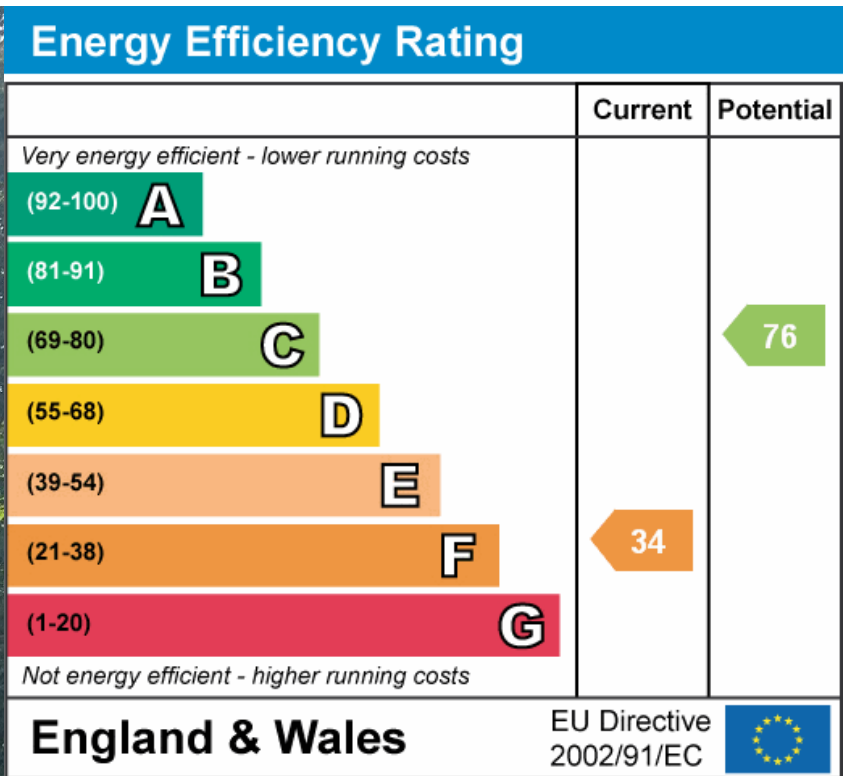




Who (else) is  
impacted by loss  
of BPS?

How can Estates  
outperform current  
returns from land?

# Diversification brings resilience... and liabilities?



- The Clean Growth Strategy aims to get as many homes as possible to EPC Band C by 2035, where practical, cost-effective and affordable.
- Net zero carbon emissions in the UK by 2050.



# Bringing it all together

What's your strategy to navigate all this?

- Four basic steps to prepare an ESG strategy:

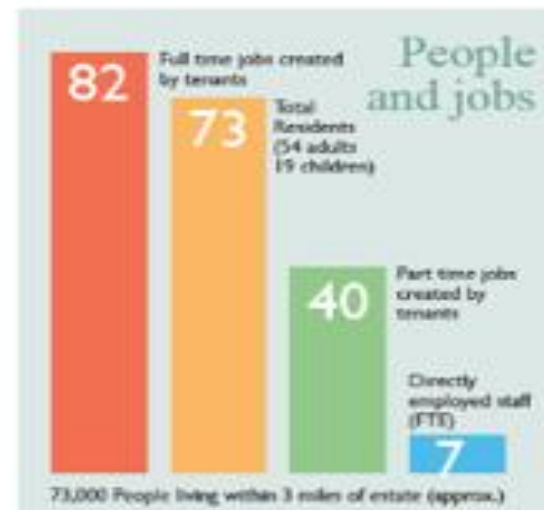
Governance/  
Responsibility

Strategy/  
Intended  
audience

What risks  
are you  
managing/  
Scope

Meaningful  
metrics &  
targets

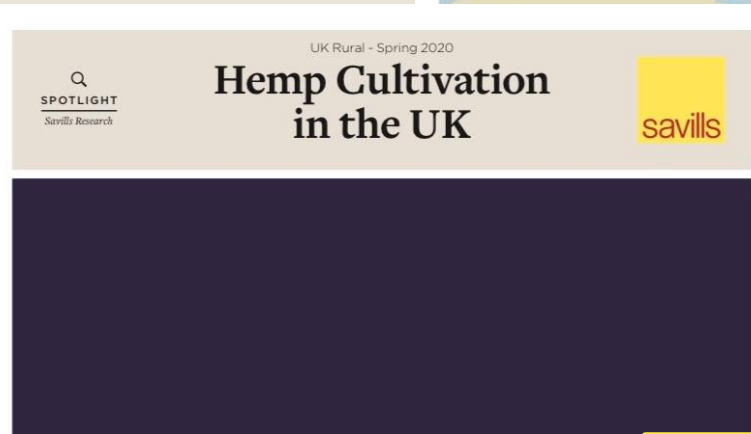




## Savills Natural capital asset register:

- Soils
- Food production
- Woodland
- Rural property
- Other diversifications
- Minerals
- Energy
- Water
- Wildlife
- Recreation
- Pollution
- Climate regulation

→ KPIs (October 2020)



**Thank you**

[Emily.Norton@savills.com](mailto:Emily.Norton@savills.com) 07807 999204



# Brabners

---

## **Savills: A growing green agenda in the charity sector**

*Property-related legal developments for charities in the last 12 months*

**Wednesday 26 February 2020**

Robert Nieri (Partner)



# Overview

- The scale of the climate threat
- Disposal of charity land
- Reverter of sites
- Relying on Charity Commission advice
- Business rates relief

# The scale of the climate threat

- **Funder Commitment on Climate Change:**
  - *“Climate change is a health issue, an equality issue, an educational issue, an economic issue, a cultural issue, a scientific issue, a security issue and a local community issue, as well as an environmental issue.*
  - *“We, the undersigned charitable foundations, recognise that the growing climate emergency is a serious risk to the pursuit of our charitable aims.*
- **Six commitments:**
  - **Educate and learn**
  - **Commit resources**
  - **Integrate**
  - **Steward our investments for a post-carbon future**
  - **Decarbonise our operations**
  - **Report on progress**
- **More than 30 grant-makers have now committed to tackling climate change in their work.**

# Charities and ethical investments: the legal position/ Charity Commission guidance

- Harries (Bishop of Oxford) v Church Commissioners [1992] 1 WLR 1241.
  - Charity trustees' power of investment has to be used to further the purposes of the trust, and those purposes will normally be best served by seeking the maximum return consistent with commercial prudence.
  - *"Most charities need money, and the more of it is available, the more the trustees can seek to accomplish."*
- Three exceptions, where:
  - investment would conflict with the aims of the charity (practical conflict, not moral disapproval);
  - investment might hamper the charity's work, either by making potential beneficiaries unwilling to be helped or by alienating supporters;
  - trustees are prepared to accommodate the views of those who consider it to be inappropriate on moral grounds because they are satisfied that this would not involve a "risk of significant financial detriment."
- Charities and investment matters: a guide for trustees (CC14: revised Aug 2016)



# Lack of legal certainty in unprecedented times

- “Charities seek “urgent legal ruling on trustees’ investment responsibilities”” (Civil Society News 04.03.19) because of a perceived limit to the clarity which Charity Commission guidance alone is able to bring.
- Charity Commission suggested a reference to the Charity Tribunal could be costly, time-consuming and its outcome uncertain and might not be the best method to achieve greater clarity over trustees’ investment responsibilities.
- Charity Commission current consultation (open until 31.03.20): “*How do charities approach investing in line with their purpose and values? We want to know, and we want to help.*”
  - The law is clear that charities can take ethical and other non-financial considerations into account when deciding how to invest their assets in a number of scenarios.
  - We want to ensure charities are aware of what they can do in this area.
  - Responsible investment, for us, means demonstrating that you have thought about your charity’s purpose as well as your investment duties when making investment decisions.
- Commission seeks to engage with charities, asking about their experiences and current considerations around responsible investments, what trustees think are the barriers to more widespread responsible investments and what more could be done to support trustees to invest in a way that reflects the charity’s purposes and values: [policy@charitycommission.gov.uk](mailto:policy@charitycommission.gov.uk)

# Green shoots

- Charities seeing the benefits of environmental, social and governance (ESG) engagement for investments. 2019 Newton Charity Investment Survey:
  - Charities start to see the financial benefits of engaging with companies on ESG factors.
  - Growing body of evidence suggests that by focusing on actively engaging with companies on responsible and sustainable investment factors, returns may actually be enhanced.
- “*Green Health*”: using Church of England’s land resources to develop gardening/ agricultural opportunities for disadvantaged and vulnerable people.
- Bishop James Newcombe (Carlisle):
  - “*Churches should look at the land they have around their buildings to see if there’s any possibility of people who are homeless or have mental health difficulties or who are lonely [getting] involved in hands-on gardening...*”
  - “*In urban areas there is a real shortage of green space, and churches often have the only green space in a neighbourhood. In rural areas there are real problems of isolation and loneliness. There are all sorts of benefits – therapeutic, meeting up with others, finding a sense of belonging and purpose. [This idea] is not complicated but it can make a huge difference.*”

# Disposal of charity land

- CC3 The Essential Trustee (section 7):
  - Manage your charity's resources responsibly
  - Getting the funds your charity needs
- *"Land sale boosts Epilepsy Society's income to likely record high"* (Third Sector, 03.01.20)
- Part 7 (Charity Land) Charities Act 2011

# Section 119 (1)(2) Charities Act 2011

## **119 Requirements for dispositions other than certain leases**

(1) The requirements mentioned in section 117(2)(b) are that the charity trustees must, before entering into an agreement for the sale, or (as the case may be) for a lease **or other disposition**, of the land—

(a) obtain and consider a written report on the proposed disposition from a qualified surveyor instructed by the trustees and acting exclusively for the charity,

(b) advertise the proposed disposition for such period and in such manner as is advised in the surveyor's report (unless it advises that it would not be in the best interests of the charity to advertise the proposed disposition), and

(c) decide that they are satisfied, having considered the surveyor's report, that the terms on which the disposition is proposed to be made are the best that can reasonably be obtained for the charity.

(2) Subsection (1) does not apply where the proposed disposition is the granting of such a lease as is mentioned in section 120(1).



“...*other disposition*...”

## CC28: what trustees need to know about disposing of charity land

*Disposal: In this context a disposal occurs when charity land is conveyed, transferred, leased or otherwise disposed of. This will obviously include the granting, transfer or surrender of a lease as well as freehold sales but will also include, for example, granting rights such as fishing rights. Other examples might include granting an easement or granting a right of way over land, or granting a wayleave to allow access to facilities on that land. However, entry into (rather than completion of) a contract or agreement for sale, for example, is not a disposal. It is at the point of the transfer or completion of the transaction that the disposal takes place.*

# The David Roberts Art Foundation Limited v Riedweg [2019] EWHC 1358

## Facts

- Riedweg (R) bid £8.01m to buy the property.
- Charity instructed surveyors to prepare a report on the sale of the property, which valued it at £7.5m.
- However report did not deal with marketing in any detail and including nothing on advertising the proposed disposition or whether it would be in the Charity's best interests to advertise.
- Contract for sale for £8.01m, R paid £410,000 deposit.
- Contract (although draft transfer annexed in agreed form to contract) did not contain a s122(2) Statement.
- Unclear from evidence (board minutes) whether trustees had considered the surveyor's report and had decided they were satisfied the terms on which sale was proposed were the best that could reasonably be obtained for the Charity.
- R failed to complete, Charity served notice to complete and rescinded contract, before seeking declaration contract had been rescinded and that the deposit was forfeit.
- A year later Charity sold property to someone else for £5.5m.
- R alleged contract was invalid, void or unenforceable because Charity had failed to comply with Part 7 regime and sought return of deposit.

# The David Roberts Art Foundation Limited v Riedweg [2019] EWHC 1358, cont

**Decision** (in context of an application for summary judgment)

- If a charity could demonstrate that advertising would have made no difference then a failure to advertise and to obtain advice on the need to advertise should not invalidate the transaction.
- If charity trustees were satisfied that a disposal achieved the best price reasonably obtainable then the transaction would not be unenforceable because a surveyor's report was obtained later than envisaged by s119 (1) Charities Act 2011.

# The David Roberts Art Foundation Limited v Riedweg [2019] EWHC 1358, cont

## Implications

- Unlike as suggested in *Bayoumi v Women's Total Abstinence Educational Union Ltd* [2003] EWCA Civ 1548, a failure to comply with the statutory requirements may not mean a contract for the sale of charity land is void.
- The overriding consideration is whether the terms of the disposal are the best that can be reasonably obtained by the charity.
- But surely it is better to comply entirely with the Part 7 regime to avoid any (costly, time-consuming and stress-inducing) dispute?
- Charity trustees should ensure that their decisions are accurately and fully documented. In particular the minutes should record that they had in mind the s119(1)(c) test ie *“decide that they are satisfied, having considered the surveyor's report, that the terms on which the disposition is proposed to be made are the best that can reasonably be obtained for the charity.”*



# What are the requirements for a s119(1)(a) surveyor's report?

- 1. (1) A description of the relevant land and its location, to include...
- 2. Whether the relevant land, or any part of it, is leased by or from the charity trustees and, if it is, details of...
- 3. Whether the relevant land is subject to the burden of, or enjoys the benefit of, any easement or restrictive covenant...
- 4. Whether any buildings included in the relevant land are in good repair and, if not, the surveyor's advice as to...
- 5. Where, in the opinion of the surveyor, it would be in the best interests of the charity to alter any buildings included in the relevant land prior to disposition (because, for example, adaptations to the buildings for their current use are not such as to command the best market price on the proposed disposition), that opinion and an estimate of the outlay required for any alterations which he suggests.
- 6. Advice as to the manner of disposing of the relevant land so that the terms on which it is disposed of are the best that can reasonably be obtained for the charity, including...

# What are the requirements for a surveyor's report? cont

- 7. (1) Where the surveyor feels able to give such advice and where such advice is relevant, advice as to the chargeability or otherwise of value added tax on the proposed disposition and the effect of such advice on the valuations given under paragraph 8.
- 8. The surveyor's opinion as to-
  - (a) the current value of the relevant land having regard to its current state of repair and current circumstances (such as the presence of a tenant who enjoys statutory protection) or, where the proposed disposition is a lease, the rent which could be obtained under it having regard to such matters;
  - (b) what the value of the relevant land or what the rent under the proposed disposition would be where...
- 9. Where the surveyor is of the opinion that the proposed disposition is not in the best interests of the charity because it is not a disposition that makes the best use of the relevant land, that opinion and the reasons for it...

# Reverter of sites

## Background

- At the beginning of the nineteenth century individuals were encouraged to give land for certain charitable purposes. Legislation (the Reverter Acts) was enacted that allowed the land given to revert to the original owner or his heirs, if that land was no longer used for the purpose for which it was given.
- The Acts were:
  - School Sites Act 1841
  - Literary and Scientific Institutions Act 1854
  - Places of Worship Sites Act 1873
- The Reverter of Sites Act 1987 substituted a trust mechanism for the reverter so that if a site ceases to be used for the permitted purpose, the holders of the legal estate hold it on (non-charitable) trust for those who would have been entitled to the reverter.
- In 1981 the Law Commission estimated that there were more than 2,000 schools in existence that were originally conveyed under the School Sites Act 1841.



# Rittson-Thomas v Oxfordshire CC [2019] EWCA Civ 200

## Overview

- Court of Appeal decided in 2019 that where a school site ceased to be used for the statutory purposes set out in s2 Schools Sites Act 1841 this would automatically trigger a reverter to the grantor and his successors, even where a sale of the school had been arranged and where it was the intention of the education authority to use the sale proceeds to fund the building of a new school on a different site.
- This decision overturned a 2018 High Court decision when the judge said the old site was being sold to raise money for part of the cost of the new school building and the old site was therefore being used “*for the purposes of that public elementary school.*”
- However that is not the question, but rather whether the land continued to be used as the site for a school or for educational purposes (not whether it provided a means of reimbursing the expenditure on the new school)
- The Supreme Court has recently given Oxford CC permission to appeal the Court of Appeal decision. Likely to be heard later this year (2020).

# Rittson-Thomas v Oxfordshire CC [2019] EWCA Civ 200, cont

## Background

- 1914 and 1928: Robert Fleming (RF) gifted land to Oxfordshire CC (OCC) pursuant to s2 1841 Act for use as part of Nettlebed School, Henley-on-Thames.
- RF died in 1933.
- In the 1990s OCC decided to relocate school
- Feb 2006: OCC built new school on adjacent site, transferred children to new premises and marketed for sale the old premises.
- 28 September 2007: OCC sold old school premises (ie including RF gifted land) to a developer.
- Principal issue for judge: did the removal of the school from its original site to the new site in 2006 trigger a reverter under s2 1841 Act?

# Rittson-Thomas v Oxfordshire CC [2019] EWCA Civ 200, cont

## Section 2 1841 Act

### Landlords empowered to convey land to be used as sites for schools, &c. E+W+S

*Any person, being seised in fee simple, fee tail, or for life, of and in any manor or lands of freehold, copyhold, or customary tenure, and having the beneficial interest . . . , may grant, convey, or enfranchise by way of gift, sale, or exchange, in fee simple or for a term of years, any quantity not exceeding one acre of such land, as a site for a school for the education of poor persons, or for the residence of the schoolmaster or schoolmistress, or otherwise for the purposes of the education of such poor persons in religious and useful knowledge; provided that no such grant made by any person seised only for life of and in any such manor or lands shall be valid, unless the person next entitled to the same in remainder, in fee simple or fee tail, (if legally competent,) shall be a party to and join in such grant: Provided also, that where any portion of waste or commonable land shall be gratuitously conveyed by any lord or lady of a manor for any such purposes as aforesaid, the rights and interests of all persons in the said land shall be barred and divested by such conveyance]: **Provided also, that upon the said land so granted as aforesaid, or any part thereof, ceasing to be used for the purposes in this Act mentioned, the same shall thereupon immediately revert to and become a portion of the said estate held in fee simple or otherwise, or of any manor or land as aforesaid, as fully to all intents and purposes as if this Act had not been passed, any thing herein contained to the contrary notwithstanding.***



# Rittson-Thomas v Oxfordshire CC [2019] EWCA Civ 200, cont

## Section 14 1841 Act

### Trustees empowered to sell or exchange lands or buildings. E+W+S

*When any land or building shall have been or shall be given or acquired under the provisions of the said first-recited Act or this Act, or shall be held in trust for the purposes aforesaid, and it shall be deemed advisable to sell or exchange the same for any other more convenient or eligible site, it shall be lawful for the trustees in whom the legal estate in the said land or building shall be vested, by the direction or with the consent of the managers and directors of the said school, if any such there be, to sell or exchange the said land or building, or part thereof, for other land or building suitable to the purposes of their trust, and to receive on any exchange any sum of money by way of effecting an equality of exchange, and to apply the money arising from such sale or given on such exchange in the purchase of another site, or in the improvement of other premises used or to be used for the purposes of such trust; provided that where the land shall have been given by any ecclesiastical corporation sole, the consent of the bishop of the diocese shall be required to be given to such sale or exchange before the same shall take place: Provided also, that where a portion of any parliamentary grant shall have been or shall be applied towards the erection of any school, no sale or exchange thereof shall take place unless the Secretary of State consents.]*

## Rittson-Thomas v Oxfordshire CC [2019] EWCA Civ 200, cont

### Implications of this judgement (subject to any Supreme Court decision)

- Reduces the options for funding the building of a new school on an alternative site. Necessary to fund construction of replacement school entirely from borrowings to be repaid subsequently from sale proceeds?
- Although keeping old site vacant pending sale won't amount to “*educational purposes*” falling within section 2, ancillary activities such as using the site for a playground or for meals might.
- Remember the other contexts: religious and literary and scientific institutions. Reverter applies automatically by operation of law

# Relying on Charity Commission advice

## Facts and decision

- Dewar v Sheffield City Council [2019] 2 WLUK 277
- Council held parkland (Graves Park) on charitable trust governed by a scheme.
- Objects: “...*provision and maintenance of a park and recreation ground for use by public with the object of improving their condition of life...*”
- Council wanted to sell vacant cottage which hadn't been used for the charity's purposes for decades.
- Commission told Council it could rely on power of sale in section 6 of the Trusts of Land and Appointment of Trustees Act 1996 to sell cottage and that there was no need for a formal scheme.
- Council sold cottage.
- Friends of Graves Park claimed Council acted in breach of trust in selling the cottage without a scheme.
- Court held that the Council hadn't acted in breach of trust. It had been entitled to rely on the Commission's advice.

# Relying on Charity Commission advice, cont

## Comment

- Distinction between “specie” land and other “designated” land: *Oldham Borough Council v Attorney General* [1993] 2 All ER 432.
- Where charity trustees obtain and act in good faith upon a formal decision of the Commission (whether given under an express provision in a scheme or under section 110 Charities Act 2011) they should be protected from a breach of trust claim.
- Time factors in getting comfort from the Commission (even if it is prepared to assist)?

# Business rates relief

- Derby Teaching Hospitals NHS Foundation Trust and others v Derby City Council and others [2019] EWHC 3436.
- NHS Foundation trusts are not charities for the purpose of s43(6) Local Government Finance Act 1988 and so not entitled to charities business rates relief.
- This is because for ratings purposes a charity is an institution or other organisation established for charitable purposes **only**.
- The principle purpose for which FTs were established was “to provide goods and services for the purposes of the health service in England” (s43(1) National Health Service Act 2006 (NHSA 2006)). That was a charitable purpose.
- However, a FT also had the purpose of providing goods or services for any purpose **related to**:
  - the provision of services to individuals in connection with the prevention, diagnosis or treatment of illness (s43(2)(a) NHSA 2006)
  - The promotion and protection of public health (s43(2)(b) NHSA 2006)which would not necessarily be charitable.



# Business rates relief, cont

- On 31.01.20 the Welsh Government issued a consultation on the eligibility of schools and hospitals in Wales for charitable rates relief. The consultation closes on 24 April.
- Should independent schools and private hospitals with charitable status contribute to the cost of local services by paying rates on the properties they occupy?
- This consultation follows the introduction into the Scottish Parliament of a Bill that includes a provision to remove charitable relief for mainstream independent schools.
- The consultation document says there is “*no indication of intentions*” to change eligibility for charitable rates relief in England or Northern Ireland...

# Concluding remarks

- The climate emergency is an existential threat (even Jeff Bezos thinks so). It is a prism through which trustees should view their charitable purposes.
- Having said that, charity trustees should preserve, protect and maximise their charity's assets – and that includes complying with the Part 7 regime, watching out for reverter and seeking advice from the Charity Commission (where appropriate and possible).

Thank you for listening.

**Robert Nieri**

Partner, Charity and Social Enterprise Team

Brabners LLP

07767 673219

[robert.nieri@brabners.com](mailto:robert.nieri@brabners.com)

**Brabners**

# A Growing Green Agenda: Environmental Opportunities

---

**Jon Dearsley**

# Natural Capital



## HOW SOCIETY CAN BENEFIT

### Natural capital assets:

Air  
Communities  
Ecosystems  
Landscapes  
Soils  
Species  
Water



### Services provided by these assets:

Biomass  
Carbon drawdown  
Erosion protection  
Pollination  
Water purification



### Societal benefits:

Clean Air  
Clean Water  
Climate change mitigation  
Energy  
Food  
Hazard protection  
Physical and mental Health  
Recreation  
Wildlife conservation

“Natural capital can be understood as the world’s stock of natural resources – earth, air, water and all the components that are linked with them, such as trees, minerals and peat bogs to name but a few”





Public



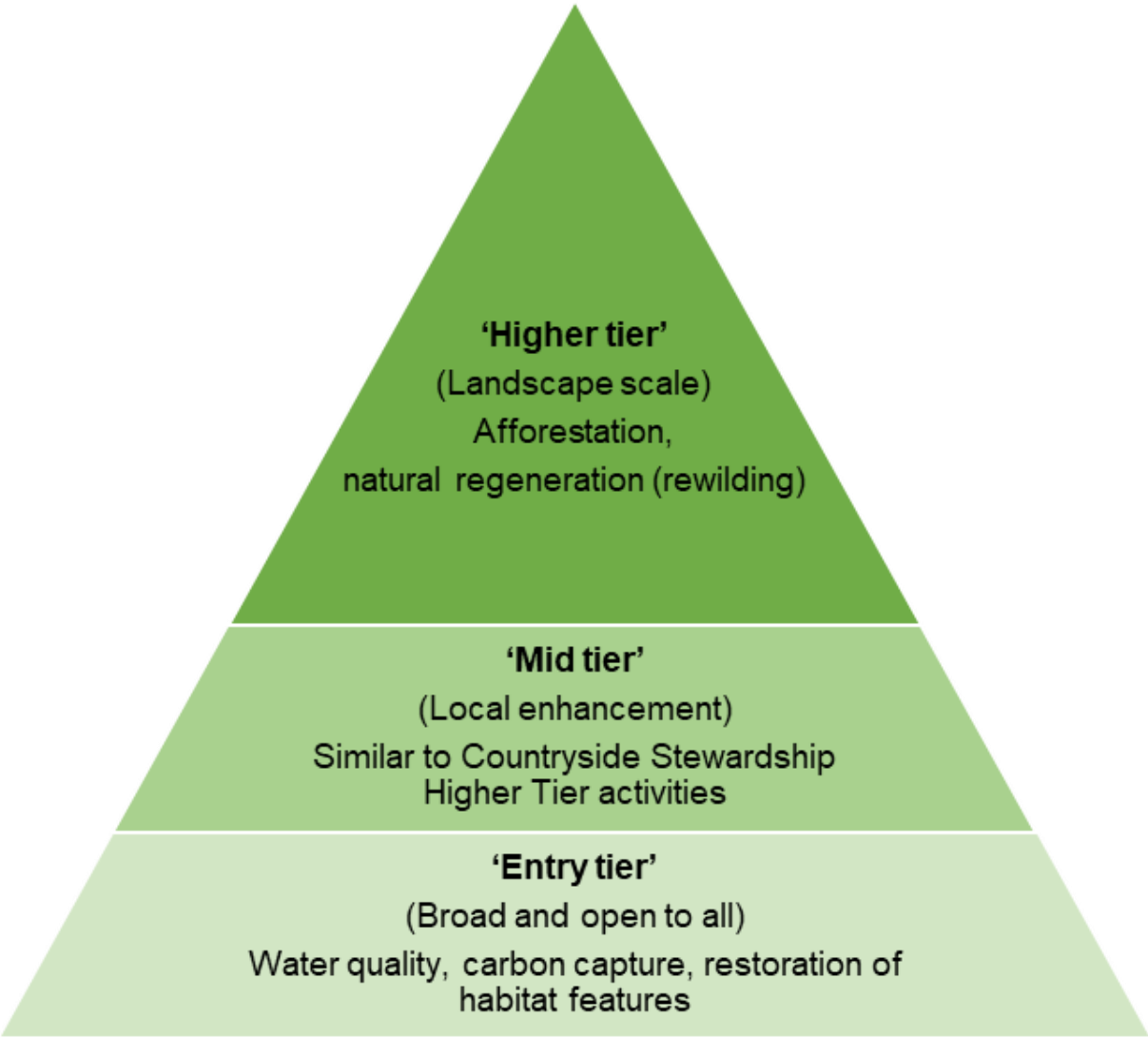
Private



Polluter Pays



# Public Money for Public Goods



- Clean air
- Reductions in environmental hazards and pollution
- Thriving plants and wildlife
- Clean water
- Mitigation and adaptation measures to minimise the impact of climate change
- Enhanced landscapes

# Biodiversity Net Gain



“Development that leaves biodiversity in a better state than before, and an approach whereby developers work with stakeholders to support their priorities for nature conservation”

## HOW BIODIVERSITY NET GAIN WORKS:

Developers use Defra's biodiversity metric (based upon a habitat survey of the proposed planning site) to calculate the pre-development biodiversity units and a projected post-development value, allowing the difference in biodiversity to be measured.



If the development results in a biodiversity loss (taking into account the mandatory 10% uplift in biodiversity value), developers will have to source the missing biodiversity units.



These additional biodiversity units can come from habitat enhancement onsite or offsite, or through purchase of statutory biodiversity credits. Offsite offsetting would involve an agreement between landowners and planners.

$$\text{Biodiversity units required} = \text{pre-development biodiversity units} + 10\% - \text{post-development biodiversity units}$$

## How our proposals for biodiversity net gain work in practice

The scenarios show the broad mechanisms through which a residential development could achieve biodiversity net gain under the policy proposals.

The same principles could apply for wider development and construction.

### SCENARIO A

The developer is able to avoid harm, mitigate and enhance on site.



### SCENARIO B

The developer is unable to avoid, mitigate and compensate all impacts on site, but is able to secure local compensatory habitat creation.



### SCENARIO C

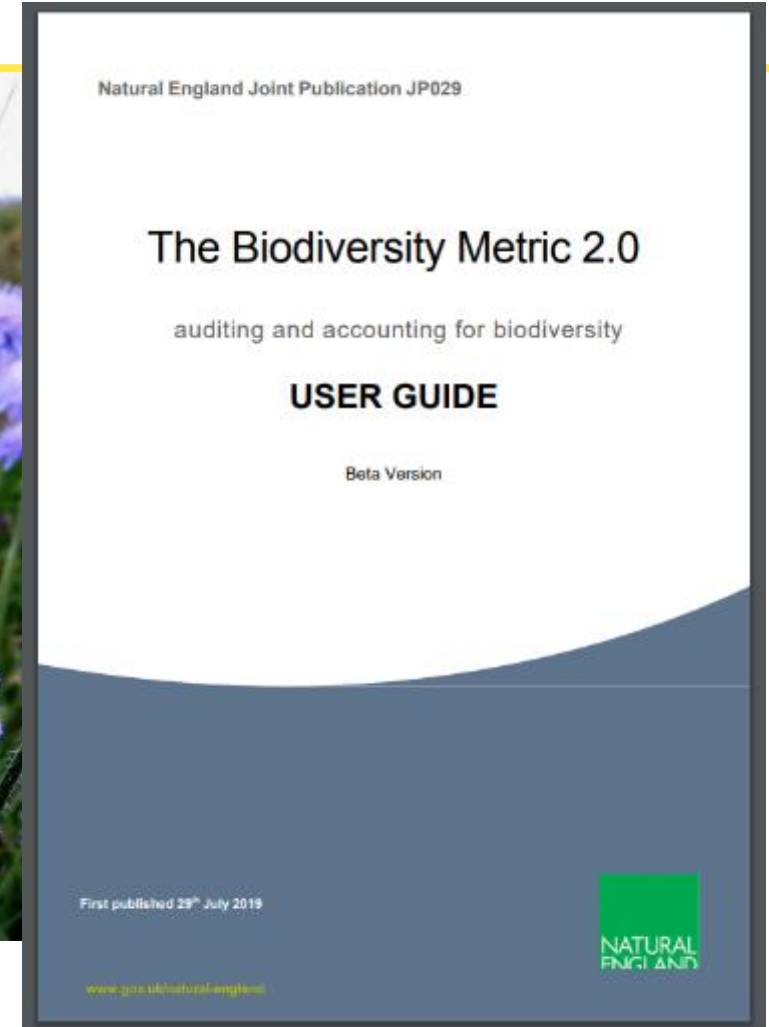
The developer is unable to avoid, mitigate and compensate on site, and unable to find local compensatory habitat to invest in. The tariff is therefore used to fund cost-effective habitat creation projects according to local and national conservation and natural capital priorities.





# Measuring biodiversity

**Total # of Biodiversity Units (BU) gained or lost  
=  
pre-dev BUs – post-dev BUs**



AREA OF HABITAT - DISTINCTIVENESS OF HABITAT - CONDITION OF HABITAT - STRATEGIC  
LOCATION - CONNECTIVITY



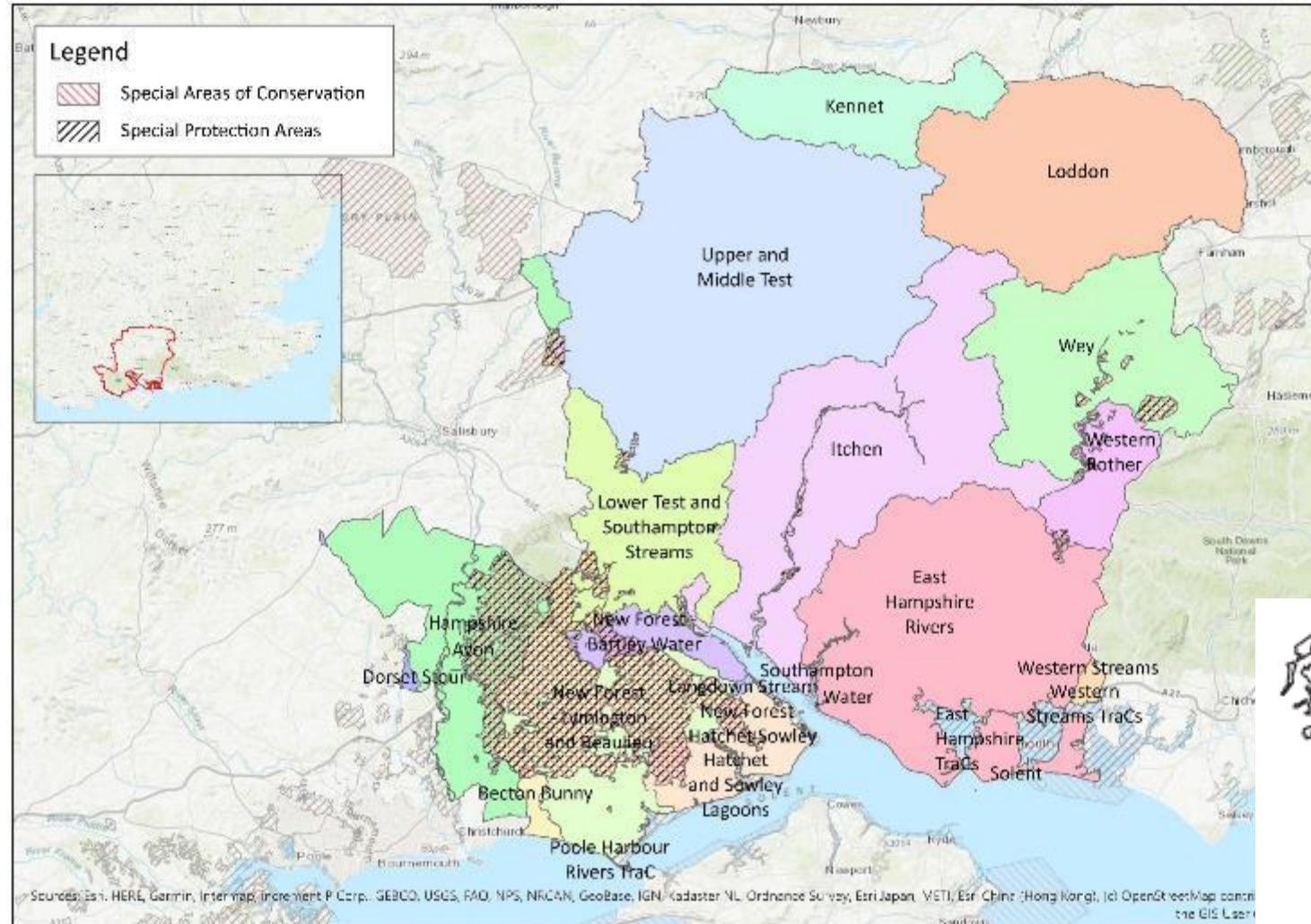
# Offsite Offset Land

- ✓ **Planning Obligation**
- ✓ **Conservation Covenant**
- ✓ **Maintained for at least 30 years**
- ✓ **One piece of land can be used for multiple planning applications**
- ✓ **Recorded in the Biodiversity Gains Register**





# Nutrient Neutrality



10 000

houses are  
currently on hold  
across the Solent  
catchment district





# Rewilding & Landscape Scale Projects

Rewilding can be understood as the **large scale restoration of ecosystems** and **reinstatement of natural processes**

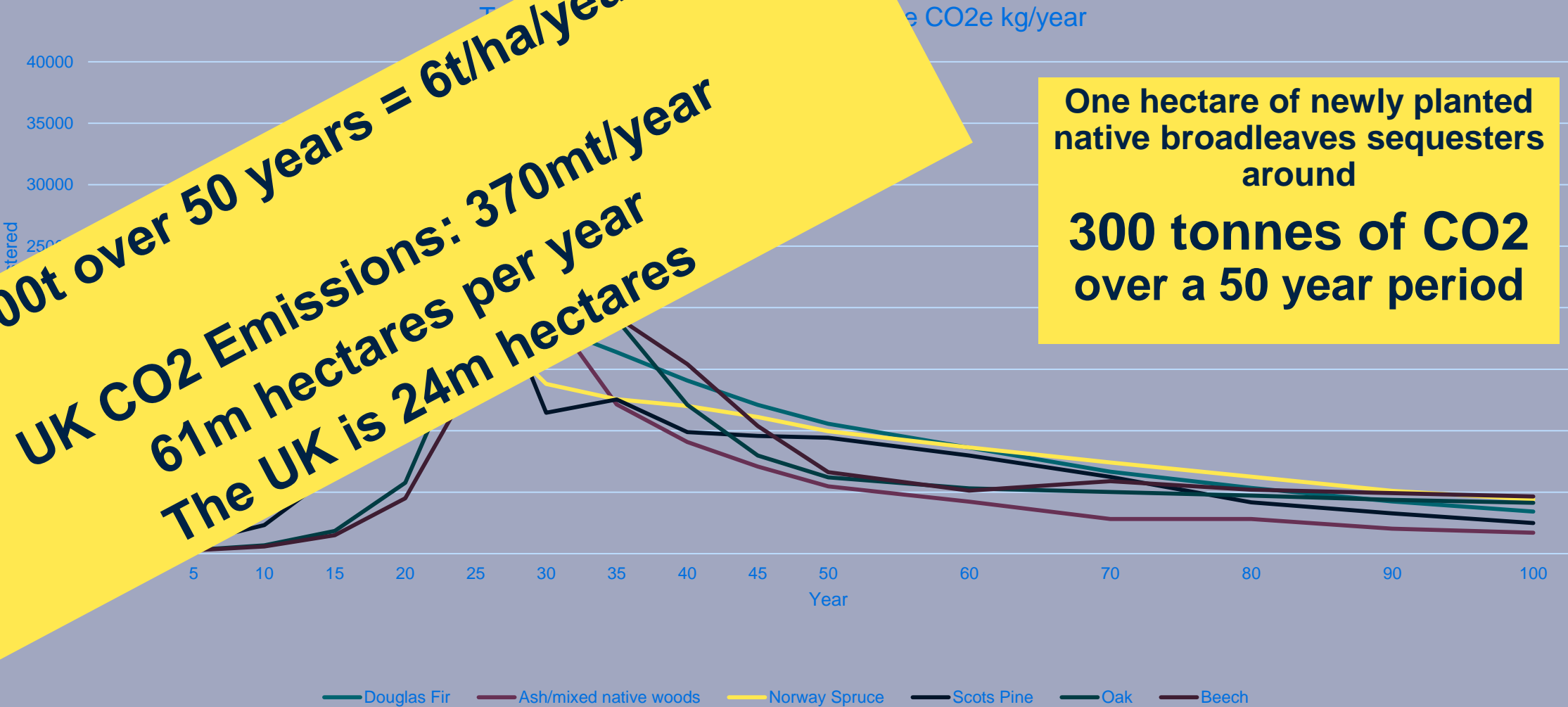


Currently **13%** of the UK land area is wooded, far below the European average of **38%**



**300t over 50 years = 6t/ha/year**  
**UK CO2 Emissions: 370mt/year**  
**61m hectares per year**  
**The UK is 24m hectares**

One hectare of newly planted native broadleaves sequesters around  
**300 tonnes of CO2**  
over a 50 year period





Public



Private



Polluter Pays





# The value of valuation?

---

Clive Beer

‘He would, wouldn’t he?’





## Fiduciary duty

*Fiduciary obligation is the obligation or trust imposed by law on officials of an organisation making them liable for the proper use and disbursement of the organisation's money, funds and property*



# You can only manage what you can measure!






# Investment performance

- Compare your funds performance to your target return objectives
- Review market risks to the value of your asset
- Strategies to improve performance, weighting and mix of assets and types of asset

Statement of Recommended Practice (SORP)  
January 2019 guidance for charities preparing  
their accounts in accordance with the Financial  
Reporting Standard (FRS 102) advises that  
charities must undertake valuations on a regular  
basis to ensure that the carrying amount does  
not differ materially from the fair value of the  
asset at the end of the reporting period.



- 
- A faint background illustration featuring two men in business suits shaking hands. Surrounding them are several circular icons: a speech bubble with a dollar sign, a document, a globe, a lightbulb, and interlocking gears.
- It's an annual audit and review of properties
  - Check the property details are correctly recorded, reviews coming up
    - Use valuers throughout the year to test ideas and strategies
    - Get valuers views as a third party review
      - Market intelligence from the valuers

---

# Thank you

You've been very patient

---

# Planning and Natural Capital - The Changing Environment

---

John Bowles



## The role of the UK planning system in delivering net zero carbon by 2050

- C.40% of UK emissions from property
- new development and retro-fitting
- new duty for developers to deliver 10% net biodiversity gain in new schemes



## Who will bear the brunt?

- Exemptions
  - Permitted development
  - Householder applications
  - Nationally significant infrastructure projects
  - Marine projects
- Commercial development
- New (especially greenfield) development

|   |      |
|---|------|
| <i>Environment Bill</i>   | 1    |
| <i>Part 1 – Environmental governance</i>  |      |
| <i>Chapter 1 – Improving the natural environment</i>  |      |
| <hr/>   |      |
| <p>A<br/><b>B I L L</b><br/>TO</p>  |      |
| <p>Make provision about targets, plans and policies for improving the natural environment; for statements and reports about environmental protection; for the Office for Environmental Protection; about waste and resource efficiency; about air quality; for the recall of products that fail to meet environmental standards; about water; about nature and biodiversity; for conservation covenants; about the regulation of chemicals; and for connected purposes.</p> |      |
| <p><b>B</b> E IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows: –</p>  |      |
| <p><b>PART 1</b><br/>ENVIRONMENTAL GOVERNANCE<br/><b>CHAPTER 1</b><br/>IMPROVING THE NATURAL ENVIRONMENT</p>  |      |
| <i>Environmental targets</i>  | 5    |
| <b>1 Environmental targets</b>  |      |
| (1) The Secretary of State may by regulations set long-term targets in respect of any matter which relates to –<br>(a) the natural environment, or<br>(b) people's enjoyment of the natural environment.  | 10   |
| (2) The Secretary of State must exercise the power in subsection (1) so as to set a long-term target in respect of at least one matter within each priority area.   |      |
| (3) The priority areas are –<br>(a) air quality;<br>(b) water;<br>(c) biodiversity;<br>(d) resource efficiency and waste reduction.   | 15   |
| Bill 9  | 58/1 |

## Where are we now?

- NPPF2  
*"...planning policies and decisions should enhance the environment by minimising impacts on and providing net gains for biodiversity"*
- Local Plan policies and Pilot Areas
- Defra Biodiversity Metric (Natural England 2012)



Ministry of Housing,  
Communities &  
Local Government

National Planning Policy Framework

February 2019  
Ministry of Housing, Communities and Local Government

# Case Study 1: Carlyon Road Industrial Estate, Atherstone



- A5 Atherstone - 10 km from M42 Junction 10 (Tamworth Interchange)
- 13,069 sqm Use Class B1(c)/B2/B8
- 3.49 Hectares
- 120 car spaces and 35 HGV spaces





# Case Study 1: Carlyon Road Industrial Estate, Atherstone



Biodiversity Impact Assessment  
£482,822

### Biodiversity Impact Assessment Summary

Site name: Land North East of Sewage Works Carlyon Road  
Planning reference number: PAP/2019/0228

Warwickshire County Council

Derived Locally from the Defra Metric Version 19.0 (01/04/2018)

|  | Habitat Area (ha) | Hedgerow impact (km) | Connectivity Features (km) | Habitat Biodiversity Value | Hedgerow Biodiversity Value | Connectivity Biodiversity Value |
|--|-------------------|----------------------|----------------------------|----------------------------|-----------------------------|---------------------------------|
| Existing                                 |                   |                      |                            |                            |                             |                                 |
| Onsite Biodiversity Impact               | 3.66              | 0.30                 | 0.00                       | 11.63                      | 0.60                        | 0.00                            |
| Indirect Biodiversity Impact             | 0.00              | 0.00                 | 0.00                       | 0.00                       | 0.00                        | 0.00                            |
| Total habitat / linear features impacted | 3.66              | 0.30                 | 0.00                       | 11.63                      | 0.60                        | 0.00                            |
| Retained / Created / Enhanced            |                   |                      |                            |                            |                             |                                 |
| Onsite biodiversity retained             | 0.00              | 0.00                 | 0.00                       | 0.00                       | 0.00                        | 0.00                            |
| Onsite Creation                          | 3.64              | 0.00                 | 0.00                       | 1.53                       | 0.00                        | 0.00                            |
| Biodiversity retained and enhanced       | 0.00              | 0.00                 | 0.00                       | 0.00                       | 0.00                        | 0.00                            |
| Total biodiversity retained/enhanced     | 3.64              | 0.00                 | 0.00                       | 1.53                       | 0.00                        | 0.00                            |
| Trading Down                             | n/a               | n/a                  | n/a                        | -1.35                      | 0.00                        | 0.00                            |
| Biodiversity Impact                      | n/a               | n/a                  | n/a                        | -11.45                     | -0.60                       | 0.00                            |

| Habitat Impacts                 | Loss  | Gain | Impact | %age losses | Compensatory Unit loss | Indicative Offset (ha) | WCC Offset units | WCC Indicative Offset Contribution |
|---------------------------------|-------|------|--------|-------------|------------------------|------------------------|------------------|------------------------------------|
| Woodland Habitat                | 1.26  | 0.00 | -1.26  | 12.48       | -1.43                  | 3.34                   | -1.43            | £67,663                            |
| Grassland Habitat               | 9.11  | 1.53 | -7.58  | 75.05       | -8.56                  | 12.89                  | -8.56            | £278,279                           |
| Wetland Habitat                 | 0.00  | 0.00 | 0.00   |             |                        |                        | -1.43            | £60,772                            |
| Other Habitat (incl. Built Env) | 1.26  | 0.00 | -1.26  | 12.48       | -1.43                  | Transferred to Wetland |                  |                                    |
| Total                           | 11.63 | 1.53 | -10.10 | 100.01      | -11.46                 | 16.23                  | -11.45           | £407,004                           |
| Trading down                    |       |      | -1.35  |             |                        |                        |                  |                                    |
|                                 |       |      | -11.45 |             |                        |                        |                  |                                    |

| Hedgerow Impacts | Loss | Gain | Trading down | Impact | Unit loss | Indicative Offset (km) | WCC Offset units | WCC Offset Contribution |
|------------------|------|------|--------------|--------|-----------|------------------------|------------------|-------------------------|
| Hedgerow         | 0.60 | 0.00 |              | -0.60  | -0.60     | 0.11                   | -0.60            | £75,818                 |

**SUMMARY**  
This development will result in -11.45 Habitat Biodiversity Units loss; -0.6 Hedgerow Units loss and 0 Connectivity Biodiversity Units loss  
This loss will need to be compensated for, either through a condition or an obligation, via a 'Biodiversity Offsetting Scheme' that compensates for the each habitat and their respective units. The Biodiversity Offsetting Scheme can be one arranged by you or by a financial contribution to Warwickshire County Council indicatively of £482822.

**ECOSYSTEM SERVICES ANALYSIS**

**Provisioning Services**

**Cultural Services**

**Regulating Services**

For any questions with regard to biodiversity impact and this development please contact Warwickshire County Council Ecological Services:  
email: [planningecology@warwickshire.gov.uk](mailto:planningecology@warwickshire.gov.uk) or telephone 01926 418060



# Case Study 2: Raunds, Northamptonshire



- Direct access off the A45
- 23,113 sqm four units Use Class B1(c)/B2/B8
- 6.24 Hectares
- 240 car spaces and 61 HGV spaces



# Case Study 2: Raunds, Northamptonshire



East Midlands Air Quality Network Air Quality and Emissions Mitigation guidance

Defra IGCB Damage Costs

Table 4.8: Air Quality Damage Costs Totals from 2021 to 2025 inclusive

|                  | Total Low (£) | Total Central (£) | Total High (£) |
|------------------|---------------|-------------------|----------------|
| NO <sub>x</sub>  | 12,712        | 138,776           | 530,460        |
| PM <sub>10</sub> | 47,238        | 235,919           | 726,244        |
| Totals           | 59,950        | 374,695           | 1,256,704      |

Air Quality Damage Cost  
£59,950 - £1,256,704

**Potential Mitigation Measures:**  
  
***Considered:***

- Connections to pedestrian footway links;
- Connections to Public Transport;
- Cycle Parking;
- Car Share Spaces; and
- Electric Vehicle Charging Points

  
***Further suggested:***

- Use of electric loading vehicles;
- Offering incentives for visiting HGVs with Euro 6 or better engines;
- Localised off-site tree planting



## Where are we going to?

- Environment Act
- Planning White Paper
- COP16
- Expansion of the net gain approach to wider natural capital and green infrastructure benefits...





## Threats and Opportunities:

- Cost and Resource
- Exemptions
- Local Habitat Compensation Schemes
- Credits for sale?
- Speculative development?



## Other Trends:

- Use of metrics in decisions
- Urban greening
- Health impact assessments
- Fire Safety
- BREEAM





---

# Thank You

---



[john.bowles@savills.com](mailto:john.bowles@savills.com)

0203 810 9841

07920 144470



# A growing green agenda in the charity sector

26 February 2020

