

Valuing Ecosystems Services in the East of England **Phase 2 - Regional Pilot Specification**

1.0 Introduction

- 1.1 This document is the specification and invitation to tender for a regional pilot project to identify whether the ecosystem services (ES) methodology can be used effectively as an appraisal method within the Single Regional Strategy process. Allied to this work, will be a number of local pilots aimed at testing the approach at a local level.
- 1.2 This multi-partner project is being commissioned by Sustainability East on behalf of a range of regional partners and is funded by Defra. It is being overseen by a steering group of representatives from a range of key stakeholder bodies including Sustainability East, EEDA, GO-East, Natural England, RSPB, Environment Agency, East of England Environment Forum (EEEEF), Forestry Commission and English Heritage (amongst others).

2.0 Context & Background

- 2.1 The natural environment plays a vital role in supporting a strong economy and a fairer society. It is important for both its intrinsic value and the range of benefits, goods and services it provides for people - such as the essentials of life (air, water, food and fuel) that underpin human health, wellbeing and prosperity. By protecting and enhancing the natural environment, we can significantly improve our quality of life. The term 'Ecosystem Services' is being used to encapsulate the wide range of benefits, goods and services that the natural environment offers.
- 2.2 However, the health of the natural environment is not assured. Although there have been some real improvements in its state, many aspects are still suffering substantial degradation. The pressures of economic growth and development, including transport, new housing and the challenges presented by climate change, need to be considered in the light of the need to maintain and enhance the health of natural ecosystems upon which people depend. Conversely, new development may provide opportunity to protect or enhance existing ecosystems through provision of new green space and increase opportunity for biodiversity.
- 2.3 To help deliver Public Service Agreement (PSA) 28, Defra worked with key partners and stakeholders, including Natural England and the Environment Agency, to agree a National Ecosystems Services Approach Action Plan as the basis for a more strategic approach to policy-making and delivery on natural environment.
- 2.4 In order to successfully influence development of regional and local plans and strategies:
 - i) Mainstream planning and governance processes need to:
 - a. Better reflect the links between ecosystems, human well-being and decision making;

- b. Better reflect the positive contribution that the region's natural assets provide (to the economy, socially and environmentally);
 - c. Better understand how this could be applied through Ecosystems Service Approach;
 - d. Identify which policy and funding decisions it should be applied to.
 - ii) We need to build capacity and understanding with those who have interest and influence, identifying the key decision makers and developing their understanding and knowledge of where and how to apply the ecosystem services approach;
 - iii) Identify opportunities to apply the ecosystems services approach to 'real life' planning and decision making processes at regional and local levels.
- 2.5 In January 2009 key regional partners and stakeholders in the East of England worked together to develop a multi-partner project which looked at valuing some of the key ecosystems services in the East of England. The aim of the project was to see if and how the Ecosystems approach could be implemented at regional and local level.
- 2.6 Hallam Environmental Consultants were commissioned to develop a number of case studies which identified and demonstrated the value of some of the most important ecosystems services in the East of England. The case studies included:
- Marston Vale (Central Beds) Landscape Connectivity -to Identify the ecosystems services provided by large scale landscape character and habitat restoration
 - Blackwater Estuary (Essex) Water – to identify potential ecosystem services related to positive catchment management
 - Cambridgeshire Fens (Cambridgeshire) to identify the functions and services of healthy soil Management
 - Great Yarmouth (Norfolk) Coast – to show how the Ecosystems Service Approach can be embedded in the Shoreline Management Plan process
 - Greater Norwich (Norfolk) Green Infrastructure - to identify the full range of ecosystem services that Green Infrastructure can provide in the particular situation and how it can be taken into consideration in regional and local planning and funding decisions (case study area was the City of Norwich);
- 2.7 The project was completed in September 2009 and the final reports have been published. Taken together the report's recommendations identify a need for a second phase of the project to test out the ecosystems services approach in policy making. The recommendations included the following:
- Generation of evidence from demonstration pilots.
 - Buy in from regional and local Government – **two actions required, firstly awareness raising, secondly securing buy in, which will require practical case study evidence of the relevance and added value from an Ecosystem Services approach** (see demonstration pilots below).

- Buy in from specific actors (developers, major landowners, landscape architects, environmentalists, general public) – engagement and buy in required, demonstration of relevance and of added value needed. **Two actions required – firstly targeted buy in from key fora/professional institutes (e.g. CLA, RTPI, NFU), secondly relevant evidence from demonstration pilots.**
 - **Two types of larger scale demonstration Ecosystem Services Approach pilot studies are needed – firstly strategic planning, secondly major project (site/area specific) related.** Demonstration pilots to have two aims: firstly to refine, test and develop a robust user friendly method, secondly to provide the evidence to secure buy-in. Such demonstration pilots should not be focused solely on biodiversity but need to relate to broader land use decision making
- 2.8 The VEsSiEE steering group also supports a second phase of the project. The scope of this phase is to develop a range of pilot projects at regional and local levels that will apply the ecosystems services approach to live strategy development or decision making processes. The pilot projects should each seek to use the approach to inform and add value to a particular decision or strategy development.
- 2.9 Phase two would also be important nationally. Defra see how the project fits with its own research work examining how an ecosystems approach can be embedded in policy and delivery. One particular Defra study is looking at identify the most effective participatory techniques for involving the relevant sectors of society (including representatives of user-groups, government agencies, and research institutions) in national, regional and local decision-making processes that impact on ecosystems and ecosystem services delivery. The Defra study will also establish the contribution that participatory techniques can make to improve the way in which non-monetised costs and benefits are taken into account alongside monetised costs and benefits at key points in decision making such as appraisal processes. Defra are keen to identify linkages between their own work and this regional pilot.
- 2.10 When the sub-national review is implemented from April 2010 the regional structures will change, with the formation of the Leaders Board to work in partnership with the Regional Development Agency on the preparation of a Single Regional Strategy. The recent CLG and BIS consultation on the 'Policy Statement on Regional Strategies and Guidance on the establishment of Leaders' Boards' which included draft guidance on SEA / SA of the Single Strategy, included the ES approach as a potential appraisal tool. However the Ecosystems Approach has not yet been tested as a tool for such assessment at a regional scale.
- 2.11 This project aims to answer these questions. It will take forward current work on ES by applying the methodology and assessing its applicability at the regional level using the existing processes (i.e ISA). Indeed, phase 1 identified the need to embed the ES approach in existing processes rather than creating a new one.
- 3.0 Contract Scope**
- 3.1 If the ES approach to assessment is to be taken up and used to aid decision making (in the same way that an SEA/SA currently is) then further work is required to ensure that the methodology can be applied at both regional and local level. The project should therefore address the following questions:

1. Can the approach developed in phase one of the VESSiEE project, be easily integrated with the current approach to Strategic Environmental Assessment (SEA) and Sustainability Appraisals (SA) at a regional level with a view to moving to and influencing the Single Regional Strategy?
2. What kind of issues are highlighted and ultimately should be taken in to account by decision makers?
3. Are there any barriers to this approach anticipated due to the proposed process of Single Regional Strategy development?
4. How will this approach aid delivery of wider key outcomes i.e. climate change targets?
5. Does the ES approach to assessment make significant differences in highlighting different sustainability issues or different options?

3.2 These questions should be answered by using the ecosystem services (ES) approach, as developed by Hallam consultants to carry out a retrospective appraisal of the Integrated Sustainability Appraisal (ISA) of the current Regional Spatial Strategy review, specifically on the proposed 4 growth scenarios.

4.0 Beneficiaries

4.1 Beneficiaries of the project are identified as being:

- Policy and decision makers operating at regional level will benefit from enhanced understanding of ES and how these can aid decision making
- Defra and CLG will benefit from evidence of the practical use of ES within the SEA/SA process at a regional level that can be applied to the appraisal of the Single Regional Strategy. Defra are actively expanding their evidence base by gathering intelligence on 'live' projects which demonstrate how an ecosystems approach is adding value not only to the environment but to the economy and human well-being. Phase 2 will help add to their evidence base. This intelligence is actively be shared with policy leads.
- The ecosystems services approach to valuing the natural environment will help to deliver the overall vision of PSA 28 in the East of England and provide evidence to support a refresh of the targets at national level; and could feed into the National Ecosystems Assessment.

5.0 Project approach

5.1 **A detailed methodology is deliberately not specified in the invitation to tender, providing an opportunity for bidders to present their preferred approach.** However, using the ES approach the project should:

- Examine the scoping process of the ISA and how priority regional and sub-regional Ecosystem Services can be identified through this process.

- Examine the topic papers produced as a result and compare the existing appraisal criteria to those derived using an ES approach.
- Consider what implications there may be from the ES approach derived appraisal criteria, in developing policy related to the key drivers of growth such as migration, ageing population, affordable housing, housing market prices and economic growth and prosperity.
- Appraise the scenarios presented in EERA's consultation *East of England Plan > 2031* to identify whether an ES approach to appraisal identifies different sustainability impacts to the established approach in the Interim ISA report, and determine whether the ES approach can influence the process to develop the preferred option, and the outcome of the option
- Appraise the preferred option and the draft reviewed East of England Plan (which will be submitted to Government in March 2010) to establish whether the ES approach to appraisal results in the identification of different or additional sustainability impacts and suggestions for mitigation
- Use the results of the project to develop tailored recommendations to regional partners and central government on applying the ES approach to policy and decision making.

5.2 It is expected that bidders will present what they see is the best approach using all or some of the methodology developed in phase one of the VESSiEE project.

5.3 If the methodology is not suitable bidders will be expected to clearly outline why the original methodology is unsuitable and propose an alternative approach

5.4 Identify and consult with a range of regional and local groups and agencies.

5.5 In addition to the stages outlined above, all pilot projects should meet the following objectives:

- Provide robust evidence that can be used to influence regional and national policies and provide a baseline for future work.
- Provide a better understanding of the value of some of the ecosystems services in the region.

The successful consultant will be expected to build on work which has previously been done, in particular those listed at Annex A.

6.0 Contract Outputs

- Interim policy briefing/report to outline progress, lessons learnt to date and key issues Monday March 8 2010.
- Evidence to inform the Sustainability Appraisal process, in particular for the Sustainability Appraisal of the single integrated regional strategy;
- Robust evidence to feed into the National Ecosystems Assessment;
- A final report, which should include the following as a minimum:
 - A write up of the pilot and the methodology used, including justification of where the phase 1 methodology was found to be inappropriate;
 - Any data or evidence gaps which are seen as being essential to enable the ES approach to be implemented

- Conclusions drawn from testing out the approach; including recommendations as to whether or not the ES can be incorporated into a SEA/SA of a strategic plan such as the RSS / Single Regional Strategy.
- A detailed write up of anything highlighted by using the approach that would not have otherwise emerged.
- A comparison of the assessment conclusions using the ES methodology and the SEA/SA approach for the RSS Scenarios consultation
- A clear audit trail identifying how stakeholders' views were incorporated into the project.

It is hoped that this project will contribute towards achieving the following outcomes:

- Refinement of the ecosystems services approach through testing on live policy development;
- Evidence that shows whether or not the ecosystems service approach could and should be embedded in Statutory Sustainability Appraisal process;
- Influencing the new Signal Regional Strategy;
- Influencing national policy;
- The policies being tested in the pilot areas are better informed through having better knowledge of the benefits of the natural environment in each area.

7.0 Project timescale and cost

The project must be completed by May 2010. Timescales to note are tabled below:

Period of Contract	February 2010 – May 2010
Specification published	Wednesday 23 rd December 2009
Questions relating to the specification emailed to chrisiepepper@sustainabilityeast.org.uk	5pm Friday 8 th January
Questions and answers published on http://www.sustainabilityeast.org.uk/tenders.php	Thursday 14 th January
Closing date for tenders	12:00 Tuesday 26 th January 2010
Tender Sift	Wednesday 27 th January
Tenders notified of sift outcome	Wednesday 27 th January PM
Interviews	Friday 29 th January
Project inception meeting	Wednesday 3 rd February
Interim policy briefing/report outline progress and key issues	Monday March 8

- The successful bidders will be expected to attend a number of steering group meetings. It is envisaged that in the early stages of the project 2 steering group meetings per month will be required. It is proposed that one will be face to face and the other will be via telephone conference.

7.1 Defra NESU (who lead on Ecosystems Approach) and RLC units kept informed about progress and possibly offered a briefing at a relevant stage.

7.2 Options to extend the contract will be subject to negotiation with the project Steering Group.

- 7.3 We wish to agree a fixed price for the work including expenses and VAT, and tenderers should indicate how they propose to charge for expenses. Tenders are invited in the region of £25,000-30,000 inclusive of VAT.
- 7.4 The contract will be awarded to the tenderer who offers the best balance of a high quality proposal and value for money.

8.0 Project management and reporting

- 8.1 The project will be managed by a steering group comprising of nominated officers from Sustainability East, EEDA, GO-East, Environment Agency, Natural England, RSPB, East of England Environment Forum (EEEF), Forestry Commission and English Heritage (amongst others). The project manager and first point of contact for this project will be Sarah Fraser, Natural England.
- 8.2 If you require further information concerning the specification tender process, or the nature of the proposed contract, please in the first instance contact the project manager:

Name: Sarah Fraser, Senior Specialist Planning & Advocacy
East of England Regional Advocacy & Partnerships
Natural England
Tel: 03000604953
E-mail: Sarah.Fraser2@naturalengland.org.uk

Chrissie Pepper, Sustainability East will act contract manager for the project and as a secondary contact:

Name: Dr Chrissie Pepper Project Coordinator, Sustainability
East
Tel: 01223 533481
E-mail: Chrissiepepper@sustainabilityeast.org.uk

9.0 Submission of tenders

9.1 Tenders should be submitted electronically to Chrissie Pepper at chrissiepepper@sustainabilityeast.org.uk by 12:00 Tuesday 26th January 2010

9.2 The successful contractor will be appointed the week commencing 1 February 2010. They will be expected to attend a project initiation meeting with the project steering group on **3rd February**. This will provide an opportunity for the tenderer to meet the Steering Group to discuss the project in more detail and to agree working arrangements.

9.3 Tender submissions should include at least the following information:

- The nature of your organisation.
- The methodology proposed to undertake the study.
- The data needed to be gathered and how this will be done.
- The main challenges that are expected in undertaking the study.
- Your experience of undertaking similar work.

- A demonstration of your understanding of the specific issues relating to ecosystems services methodology and policy development, and the East of England region.
- The pricing structure you wish to adopt, including the day fee rate and the allocation of time to proposed activities.
- The amount of time that all nominated consultants will spend on the study, including senior staff and the designated lead person.
- A project timetable with key milestones identified.
- Statements about quality and risk (see below).
- Details or CVs of the staff who will undertake the study.
- Any other relevant details about your organisation.
- The name of the nominated person(s) in your organisation who would be responsible for the contract, and the immediate contact point with email address.
- The names and contact details of two referees at senior levels in organisations for whom the senior nominated staff have recently worked (they will be contacted for all short listed tenders).

9.4 Proposals should briefly describe both how tenderers propose to ensure the quality of their work, and also what risks (if any) they identify in undertaking the study and the action they propose to take to mitigate them.

9.5 The successful tenderer will be responsible for programming in regular progress / project update meetings with the project Steering Group, in order to provide regular reports detailing the progress and outputs of the project.

10.0 Selection

10.1 There will be two stages to the selection process:

Stage 1: Sift - All tenders received by the deadline will go through a sifting process. A panel will assess each tender against the criteria found at Annex 2. A maximum of four tenders will be selected to go on to stage two of the process.

Stage 2: Interview - Successful tenderers will be invited to an interview on Friday 29th January 2009.

Contracts will be awarded to suitably experienced organisations, identified by means of the competitive tendering process and on presentation of firm quotations for services meeting the project specification.

11.0 Selection criteria

The criteria against which the tender will be submitted are outlined in Annex 2.

12.0 Commitment to Sustainable development

12.1 The Steering Group expects that the successful tenderer will undertake activities in a manner consistent with the principles of sustainable development. More specifically, in the course of carrying out the contracted work, the successful tenderer will be required to:

- Minimise the need to travel, and where necessary, take steps to minimise the environmental impacts of the journey;
- Wherever practicable, to minimise use of resources through the equipment they buy and use;
- Undertake to reuse, recycle or reclaim wastes and surplus materials wherever possible;
- Require subcontractors, and encourage clients and collaborators, to do the same.

13.0 Freedom of Information

- 13.1 Information in relation to this tender may be made available on demand in accordance with the requirements of the Freedom of Information Act 2000.
- 13.2 Tenderers should state if any of the information supplied by them is confidential or commercially sensitive or should not be disclosed in response to a request for information under the Act. Tenderers should state why they consider the information to be confidential or commercially sensitive. This will not guarantee that the information will not be disclosed but will be examined in the light of the exemptions provided in the Act.
- 13.3 It is important to note that information may be commercially sensitive for a time (e.g. during a tender process) but afterwards it may not be. The timing of any request for information may be extremely important in determining whether or not information is exempt. However tenderers should note that no information is likely to be regarded as exempt forever.

Annex 1:

Valuing Ecosystem Services in the East of England project report	http://www.sustainabilityeast.org.uk/publications.php
Natural England: No Charge? Valuing the Natural Environment	http://www.naturalengland.org.uk/Images/noc_harge_tcm6-14259.pdf
National Ecosystems Assessment	http://uknea.unep-wcmc.org/
Defra: Provision of ecosystem service through the Environmental Stewardship Scheme	http://randd.defra.gov.uk/Default.aspx?Menu=Menu&Module=More&Location=None&Completed=0&ProjectID=15901#Description
Defra: Inventory and assessment of existing resources	http://randd.defra.gov.uk/Default.aspx?Menu=Menu&Module=More&Location=None&Completed=0&ProjectID=13850#Description
Defra: Defining and identifying environmental limits	http://randd.defra.gov.uk/Default.aspx?Menu=Menu&Module=More&Location=None&Completed=0&ProjectID=13901#Description
Defra: Collating and evaluating research on the value of the environment	http://randd.defra.gov.uk/Default.aspx?Menu=Menu&Module=More&Location=None&Completed=0&ProjectID=13902#Description
Defra: Identification and characterisation of pressures on natural resources, including the effects of cumulative pressures	http://randd.defra.gov.uk/Default.aspx?Menu=Menu&Module=More&Location=None&Completed=0&ProjectID=13903#Description
Defra: Characterising the Policy Framework	http://randd.defra.gov.uk/Default.aspx?Menu=Menu&Module=More&Location=None&Completed=0&ProjectID=13904#Description
Defra: Inventory study on natural environment data 2	http://randd.defra.gov.uk/Default.aspx?Menu=Menu&Module=More&Location=None&Completed=0&ProjectID=14750#Description
Defra: England's terrestrial ecosystem services and the rationale for an ecosystem-based approach	http://randd.defra.gov.uk/Default.aspx?Menu=Menu&Module=More&Location=None&Completed=0&ProjectID=14751#Description
Defra: An assessment of the economic value of England's terrestrial ecosystem services	http://randd.defra.gov.uk/Default.aspx?Menu=Menu&Module=More&Location=None&Completed=0&ProjectID=14752#Description
Defra: Scoping the potential benefits of undertaking an 'MA style' ecosystem assessment for England	http://randd.defra.gov.uk/Default.aspx?Menu=Menu&Module=More&Location=None&Completed=0&ProjectID=15697#Description
Defra: Reviewing targets and indicators for an ecosystems	http://randd.defra.gov.uk/Default.aspx?Menu=Menu&Module=More&Location=None&Completed=0&ProjectID=15697#Description

approach	mpleted=0&ProjectID=15699#Description
Defra: An Introductory Guide to Valuing Ecosystem Services	http://www.defra.gov.uk/environment/policy/natural-environ/documents/eco-valuing.pdf
Coastal Initiative Socio Economic Research	http://eastofenglandobservatory.org.uk/viewResource.aspx?id=16329
East of England Environment Forum environmental capacity project	http://www.eera.gov.uk/publications-and-resources/studies/topic-based-studies/environment-studies/environmental-capacity/
Sustainable Development Commission's work on environment and health: How outdoor environments influence health and well-being: a knowledge base	http://www.sd-commission.org.uk/publications.php?id=712
Integrated Sustainability Framework	http://www.eera.gov.uk/What-we-do/developing-regional-strategies/integrated-sustainability-framework/
Ecosystem services and Environmental Capacity - update	http://www.eera.gov.uk/GetAsset.aspx?id=fAAxADYANgAwAHwAfABGAGEAbABzAGUafAB8ADAAfAA1
Millennium Ecosystem Assessment	http://www.millenniumassessment.org/en/Framework.aspx
Regional economic strategy integrated sustainability appraisal	http://www.eastofengland.uk.com/res/60.asp

This list may be added to at the inception meeting.

Annex 2: Tender Criteria

All bids should be laid out in the order of the tender criteria.

Criterion 1 - UNDERSTANDING OF THE TASK		Weighting - 30%
Q1.1	<i>Demonstrate understanding of the potential scope of the project and those issues that will be critical to the implementation, development and long term success and sustainability of the project.</i>	
Q1.2	<i>Demonstrate that the organisation will appropriately understand and represent the regional specificity of this project.</i>	
Q1.3	<i>Demonstrate an understanding of how the assignment outputs will be used and that they will be fit for purpose.</i>	
Q1.4	<i>Demonstrate an understanding of the links to other exciting or underway work in the region and show how your approach will be consistent and add value to existing work.</i>	
Q1.5	<i>Demonstrate an understanding of “sustainability” and its importance to the assignment</i>	
Q1.6	<i>Demonstrate an understanding of who the policy and decision makers are that this project is looking to influence and why.</i>	
Q1.7	<i>Demonstrate an understanding on who the key stakeholders that will need to be engaged in this project and show how engagement will be achieved.</i>	

Criterion 2 – CAPACITY		Weighting - 30%
Q2.1	<i>Set out an appropriate methodology which demonstrates how you will deliver the contract. Methodologies proposed should not exceed 2000 words.</i>	
Q2.2	<i>Have links to the appropriate networks in the region that will be required to complete the work.</i>	
Q2.3	<i>Demonstrate how the project will be managed within the timescales to ensure delivery to time.</i>	
Q2.4	<i>Provide a clear list of outputs, demonstrating how each will contribute to meeting the purpose of the assignment.</i>	
Q2.5	<i>A copy of the most recent Accounts, Cash flow Statements or other financial documentation relating to the financial stability of the Company.</i>	
Q2.6	<i>Information on the Tenderers Public and Employers Liability Insurance.</i>	
Q2.7	<i>General quality assurance, monitoring and evaluation measures and standards.</i>	
Q2.8	<i>Satisfactory policies and procedures relating to staff recruitment, equal opportunities, health and safety, data protection, freedom of information, and general codes of conduct and business ethics.</i>	

Criterion 3 – EXPERIENCE		Weighting - 20%
Q3.1	<i>Demonstrate the skills available within the organisation and will be applied to the project.</i>	
Q3.2	<i>Show relevant experience of similar work, particularly scenario testing.</i>	
Q3.3	<i>Outline the tenderer’s history in the field together with references to reports or Case Studies supporting this. In the case where consortia are tendering then details of all parties should be supplied.</i>	
Q3.4	<i>Demonstrate that the organisation understands and has access to the necessary and appropriate data.</i>	
Q3.5	<i>Demonstrate a clear understanding of the risks associated with the task and how the organisation will mitigate these.</i>	
Q3.6	<i>Demonstrate how the organisation will ensure that the output will have practical</i>	

	<i>application</i>
Q3.7	<i>Outline the qualifications, experience, expertise and skills of the individuals assigned to manage and the deliver the services.</i>

Criterion 4 – PRICE		Weighting -
20%		
Q4.1	<i>Show the Total price for this project including VAT.</i>	
Q4.2	<i>Provided a detailed breakdown of price showing all elements of expenditure relating to the contract.</i>	
Q4.3	<i>Show how you will provide the project with “Value For Money” within this price.</i>	