



York and North Yorkshire

# Investing in Natural Capital

**Healthier nature**  
**Stronger economy**

Local Investment in Natural Capital (LINC)



# Mayor's Foreword

As Mayor of York and North Yorkshire I've had the chance to see for myself the incredible potential of the natural capital in our region.

Our landscape boasts two National Parks, National Landscapes (formerly Areas of Outstanding Natural Beauty), and marine protected areas, while 70 per cent is used for agriculture.

These strengths in natural assets provide a unique opportunity for private investment to accelerate nature recovery, reduce flood risk, improve water quality, capture and store carbon on land and sea, all while improving recreational and wellbeing benefits for our communities.

This potential led to York and North Yorkshire (Y&NY) being selected as one of four pioneering regions to act as a trailblazer in Natural Capital investment.

Directing investment towards our environmental, social and economic priorities means that as a region we can contribute to the Government's ambitious targets to attract at least £500 million of private finance into nature recovery, in England, per year, by 2027.

The Local Investment in Natural Capital (LINC) programme is a collaborative partnership between the Combined Authority, North Yorkshire Council, City of York Council, Yorkshire Dales and North York Moors national park authorities, with the bold ambition to make us the most attractive region, nationally, for investment in Natural Capital.

The development of a pipeline of nature-based solutions or nature-led infrastructure schemes is the key to nature recovery and climate resilience, whilst creating economic growth and prosperity.

Enhancing natural capital, addressing biodiversity loss, decarbonising our energy system and moving towards a circular economy, make up one of York and North Yorkshire Combined Authority's three strategic pillars.

The pillars are at the heart of our Strategy for a Sustainable Future and will drive our ambition to become England's first carbon negative region by 2040.



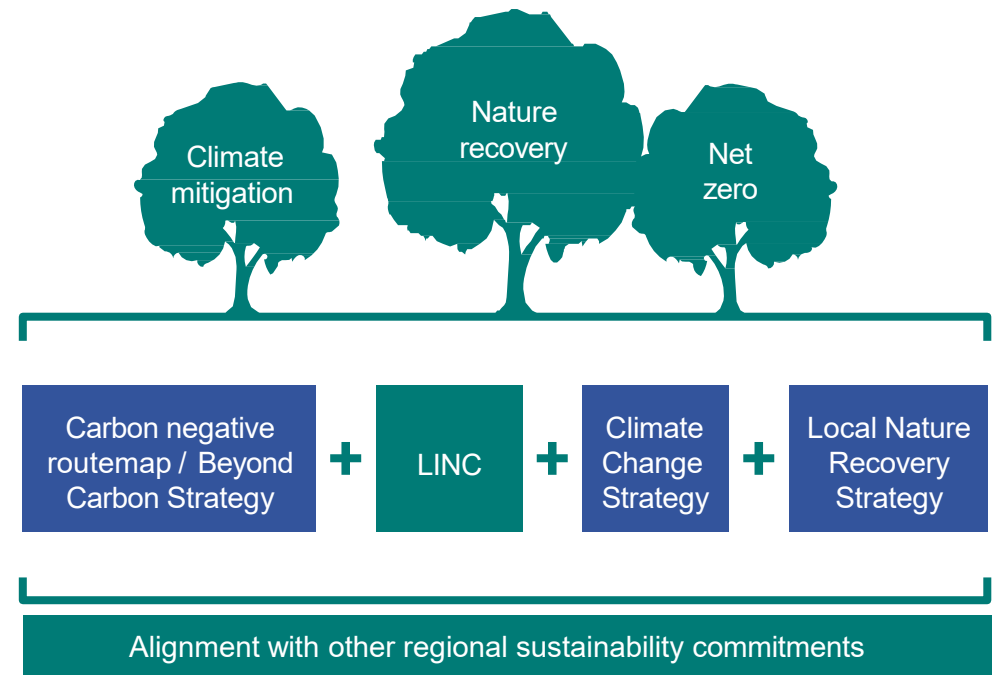
# What is LINC and why is it needed?

Local Investment in Natural Capital (LINC) is a DEFRA and Environment Agency multi-phased project nationally, of which York and North Yorkshire are one of four pilot regions. It is designed to mobilise private investment in order to deliver regional nature and climate benefits.

This is necessary to align with current policy and legislation such as the Kunming-Montreal Global Biodiversity Framework (GBF) 2022, the 2023 Environmental Improvement Plan (EIP), and the Environment Act 2021.

LINC is a joint partnership between:

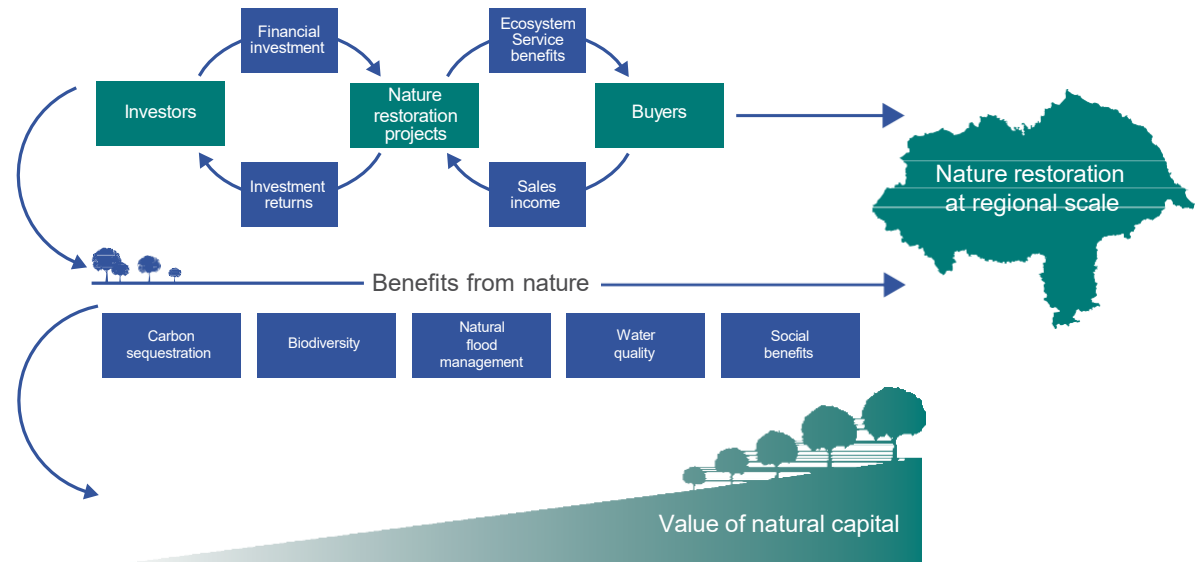
- North Yorkshire Council
- York & North Yorkshire Combined Authority
- City of York Council
- National Park Authorities – Yorkshire Dales and the North York Moors.



# How can private investment be directed towards nature restoration?

The private sector can have different roles in nature restoration. Significant investment is required into projects that deliver nature-based outcomes or outputs.

To close the current financing gap, a market infrastructure of investors, projects and buyers needs to be developed. York and North Yorkshire LINC's ambition is to become the most attractive region nationally for investment into Natural Capital.



# Why York and North Yorkshire?

North Yorkshire covers over 8,000 km sq. from the North Sea to Lancashire, while the City of York covers an additional 34 km sq. which provides urban habitat between the Rivers Foss and Ouse. The region is uniquely positioned to use its natural assets to:

- Accelerate nature recovery
- Improve water quality
- Capture and store carbon
- Provide recreational and wellbeing benefits to local communities
- Reduce flood risk
- Maximise the potential of the existing tourism economy

The Local Investment in Natural Capital (LINC) programme is helping to develop a pipeline of projects which can use this unique landscape to grow Natural Capital. Natural Capital currently supports 11% of the regions 'gross value added' (GVA), with an ambition to grow this by 31% by 2050.



**1700 km**

Main Rivers



**12** nautical miles

Coastline



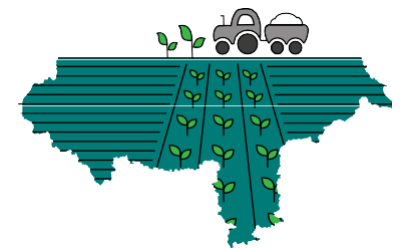
**34 km<sup>2</sup>**

Urban habitat within  
the City of York



**>50%**

Land mass is covered by  
landscape designations

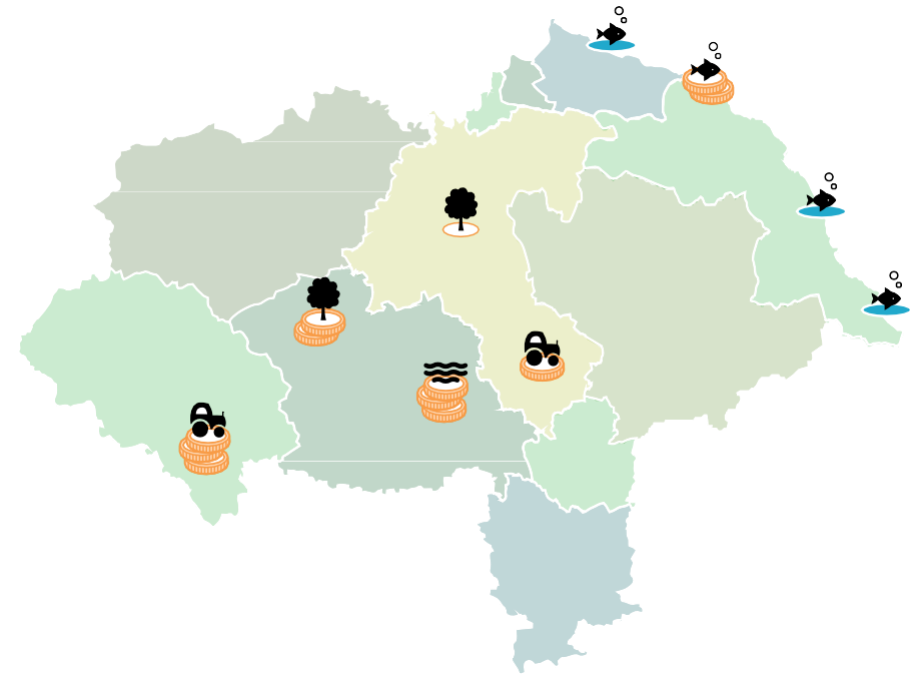


**>70%**

Total land mass is  
used for agriculture

# Harnessing a unique opportunity for nature investment

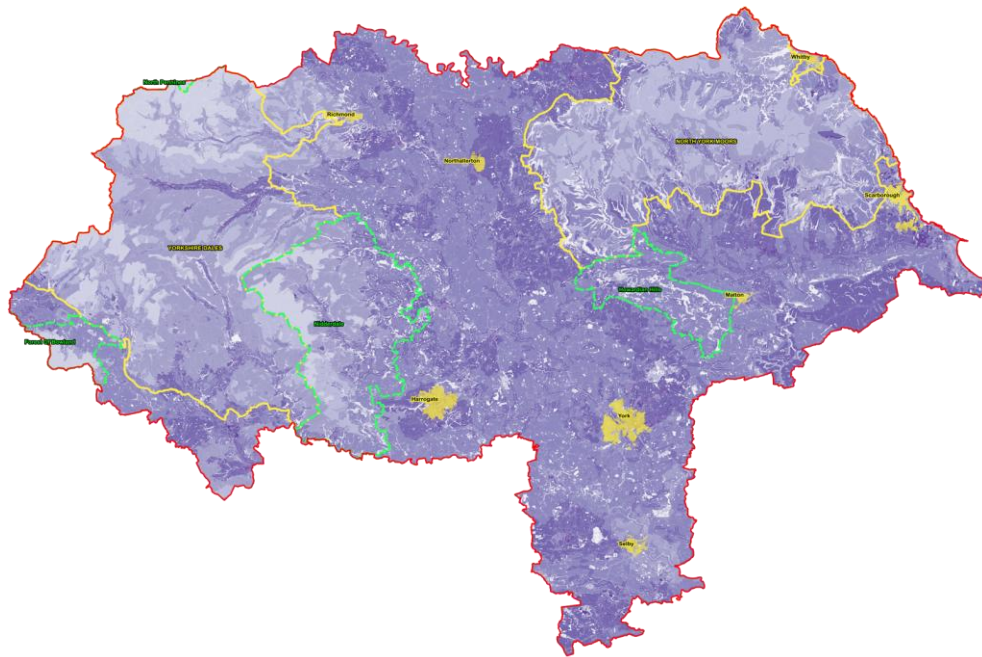
- LINC aims to identify and enable investment into nature across York and North Yorkshire.
- LINC is developing a pipeline of 40+ projects linked to nature that are currently investable or will be in the future.
- Initial project investments will seek to link with other regional strategic programmes (e.g. Local Nature Recovery Strategy).



# Harnessing a unique opportunity for nature investment

## Natural capital opportunity map

Darker areas indicate increased opportunities for providing Natural Capital through nature restoration. The yellow lines represent the National Parks, the green lines represent the protected landscapes, and the yellow areas are urban areas.



Work undertaken through LINC has valued the existing Natural Capital value within the region.

**The assessment indicates that vegetation and corresponding soils in York and North Yorkshire currently store 161.1 million tonnes of carbon dioxide equivalent (CO<sub>2</sub>e), valued at £37.2 billion. The annual sequestration is nearly 700,000 tonnes valued at £197.2 million.**

**The quantified water quality regulation benefits provide an annual value of £654 million.**

Long term, there is an ambition for York and North Yorkshire to increase Natural Capital at a regional scale by enabling investment across multiple projects in the pipeline – by providing aggregated funding regionally. Regional opportunities for further improving Natural Capital through nature restoration have been analysed and mapped based on existing habitat and land-use data within the region.

# Strategic opportunities for LINC in North Yorkshire

LINC has identified projects within the pipeline which are ready and moving to become investible in line with the Green Finance Institute's Investment Readiness Toolkit. Through engagement with these projects and the investor community, LINC has developed six priorities for investment into nature restoration within the region.

**Landscape-scale nature recovery projects:** There are seven schemes for recovery at landscape scale in the region including five supported by Department for Environment, Food and Rural Affairs that are transitioning away from intensive land use systems to nature restorative land use systems (500-5000 hectares per project).



**Natural flood management projects:** There are at least three major natural flood management schemes in and around urban centres/ critical infrastructure, tackling one of the region's biggest climate change-related vulnerabilities.



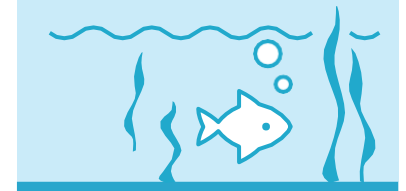
**Regenerative /sustainable farming projects:** There are at least three large farm clusters transitioning to regenerative agriculture practices.



**Major peatland, treescapes and heathland restoration projects:** Focused on specific habitat restoration at scale with connectivity between those habitats, delivered by large non-governmental organisations and other specialist nature based solution developers.



**Marine:** Early stage and pioneering coastal and seabed restoration and resilience projects requiring seed capital.



# Strategic opportunities for nature investment

The categories below will help to link opportunities for nature restoration with potential investors and buyers, to drive forward demonstration pilots within the LINC programme.

Engagement with farming community to deliver regenerative agriculture

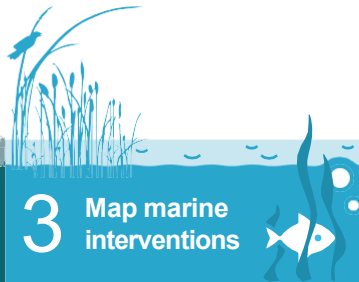
Deliver ecosystem service benefits by aligning various woodland planting schemes within the region and extending their management timescale

Collate map marine and coastal interventions data and identify opportunities for ecosystems enhancement

Link up activities within the region to deliver peatland restoration at scale

Integrate green infrastructure into urban areas for improved access to nature and climate resilience

Coordinate natural flood management opportunities to deliver benefits over multiple catchments, and pioneer a new market within the region



**1** Least productive agricultural land

**2** Map existing and future woodland cover

**3** Map marine interventions

**4** Restore or enhance existing peatland

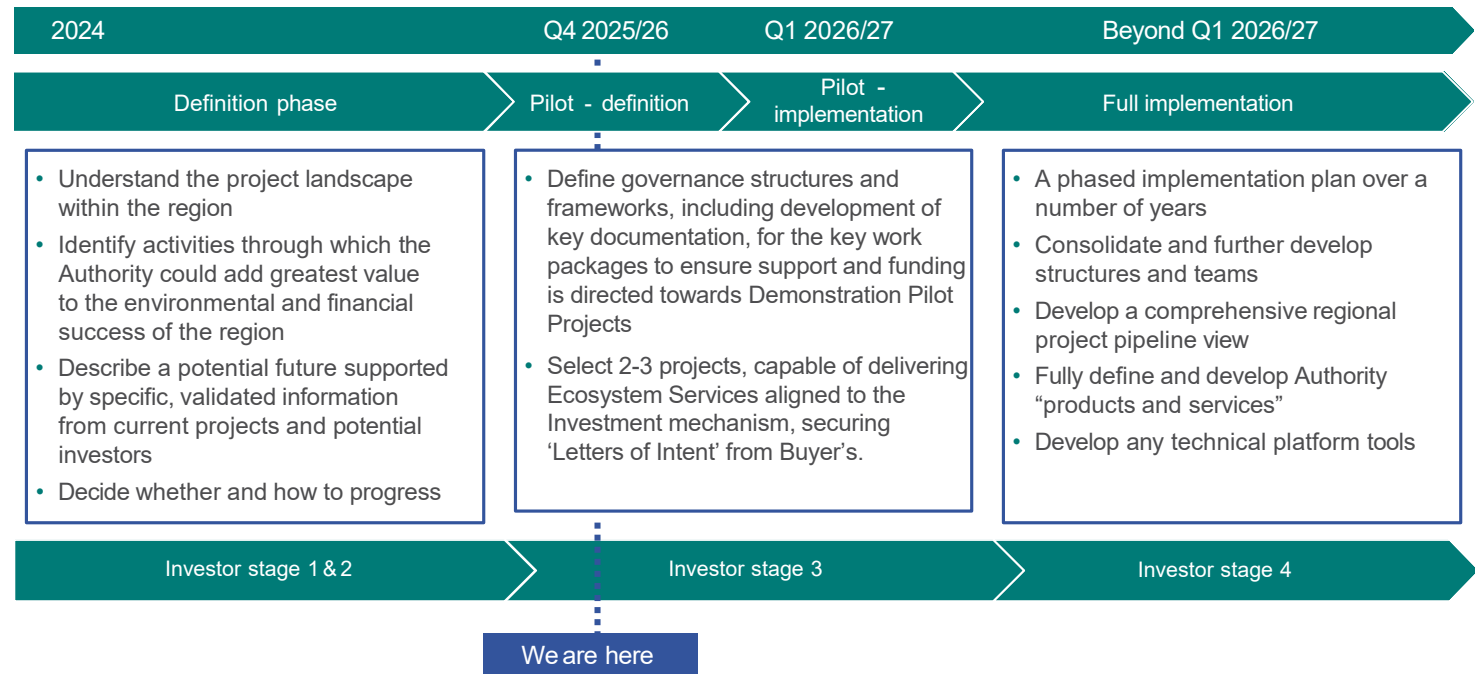
**5** Urban greening and nature-based solutions

**6** Natural flood management



# Planning for Natural Capital Investment

- There is significant opportunity to generate an increase in Natural Capital in the York and North Yorkshire region.
- This increase is likely to translate into substantial financial opportunity for investment.
- York and North Yorkshire is well-placed to demonstrate large-scale investment in Natural Capital.



# LINC Demonstration Pilots

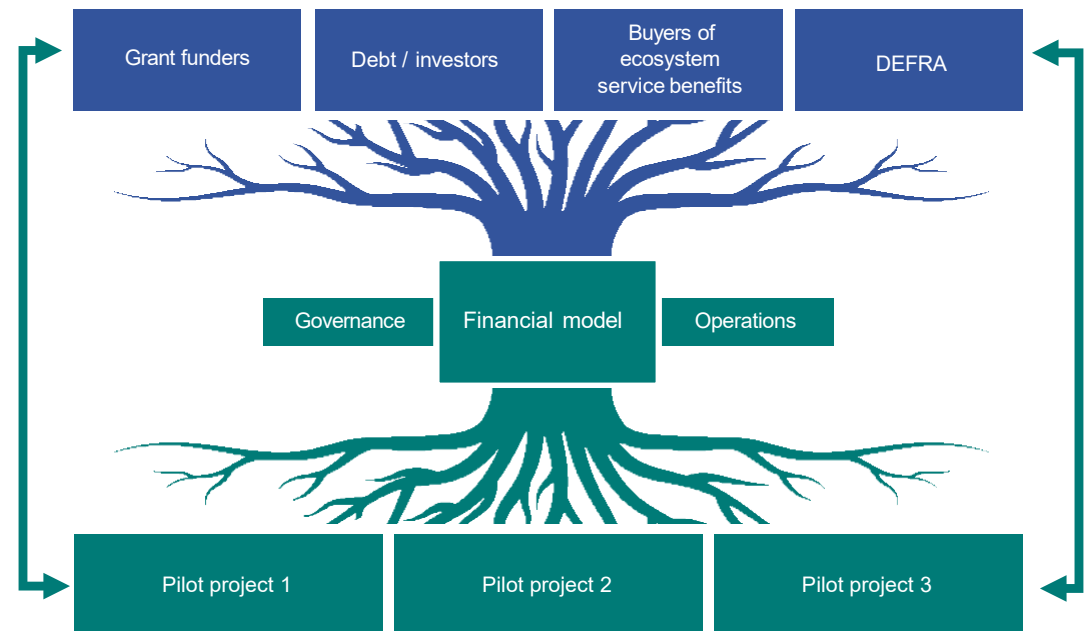
To enable large-scale investment into the project pipeline, LINC will explore development and implementation of blueprints for a series of pilots:

1. Creating and testing investment and buying mechanisms – including development of a region-specific buyer's club and a Financial Model to enable aggregation of investment.
2. Establishing how the authority would be involved in supporting the investment across the region.
3. Using projects identified from the pipeline to sell Natural Capital outcomes or outputs at scale to relevant buyers.
4. Developing the Natural Capital market within the region to increase its capacity and integrity, via knowledge and skills sharing.
5. Developing the Natural Capital market infrastructure via guidance on the links with frameworks, standards and policy.

Use LINC to support policy changes in order to create opportunities for Natural Capital in the North Yorkshire region.

## Demonstration pilots: structure

The model aggregates inflows of finance and outflows of ecosystem service benefits. Projects will still be able to arrange investment and sales directly whilst also making use of the regional structure as required, which will be set up to accommodate such variety.



# Want to know more? Contact us

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