

Chalk Stream  
Of Lincolnshire

Lincolnshire Chalk Streams Project

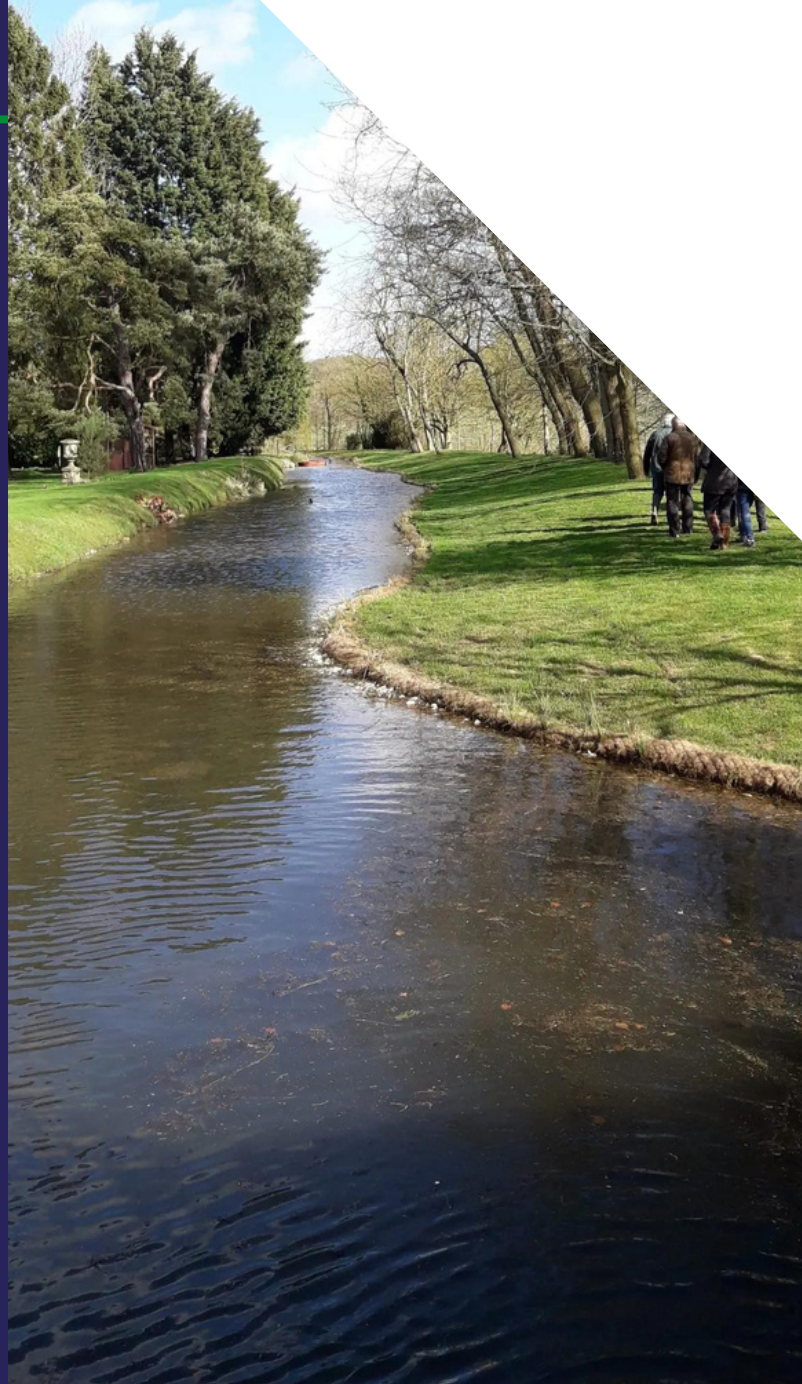


HILLSIDE

environmental services

## Case study:

Investment-ready  
modeling to help  
Lincolnshire's  
Chalk Streams flow



Combatting  
climate change,  
without costing  
the earth



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# Executive summary

## AT A GLANCE

- Lincolnshire Chalk Streams Project (LCSP) commissioned Hillside to support the development of an investment model, allowing the Project to approach investors and access finance to progress the strategic vision.
- In a healthy state, chalk streams support the biodiversity of the area including some of the most rare and threatened plants and animals. Hence, the need for restoration, which the finance will support.
- Our team worked with LCSP to develop a link between the commercial aspects and environmental outcomes of projects to engage investors.
- We then recommended pathways to progress the investment strategy, including an Investment-Ready Tool to enable KPI and ROI based conversations.



## THE PROJECT

Following an in-depth review of LCSP requirements, the Hillside team scoped industries and initiatives that aligned with their objectives and presented significant investment opportunities.

We then researched the specification that projects would need to meet to secure finance and presented a pathway for LCSP to follow to attract investors. This included the Investment-Ready Tool to support pitches.



Working with Hillside has been a positive experience for us. Russell has been at the forefront of taking us on a learning journey about private investment opportunities for the chalk streams, challenging our processes.

The Hillside team has been a real asset on this project and have helped us develop our future aspirations for the chalk streams and the Lincolnshire Chalk Streams Project.

### Ruth Craig

Project Officer,  
Lincolnshire Chalk Streams Project



## CLIENT BENEFITS

### Clarity and focus

LCSP now has a clear pathway to follow to progress funding opportunities and access the finance needed to work towards the strategic vision.

### A streamlined process to secure investment

Thanks to detailed research into the requirements of investors, and the proposed tool to inform conversations and improve investor confidence with return on investment statistics.

### Ability to grow the project and improve environmental impact




Creating a link between the commercial objectives of investors and environmental aims of LCSP enables scope to source finance to protect biodiversity in Greater Lincolnshire.



# Linking commerciality & biodiversity

## Research

We explored the following criteria to understand the key requirements of an investment strategy:

-  How businesses rely on biodiversity and the costs vs. benefits to them when it is effected.
-  How investments in biodiversity mitigate future costs and the potential return on investment available.
-  How LCSP can benefit and add to organisations' sustainable agenda.



## Our analysis identified 5 key commercial areas that could be progressed:



### Biodiversity Net Gain

Projects that aim to protect and restore the biodiversity that is affected by planning and construction projects, where developers and infrastructure companies can benefit from becoming sustainable.

We also found and liaised with organisations that could support the development of a Biodiversity Net Gain proposition.



### Insurance

Flood risk was recognised as a sign post to funding opportunities, which lead to the scoping of how investment decisions are made to inform the strategy for LCSP.



### The Water Supply Industry

We spoke to key stakeholders in the sector to understand the financial support available to invest in stream biodiversity to improve water quality.



### Agriculture

Lincolnshire is responsible for a substantial share of vegetable and poultry production in the UK and we found a link between pesticide use in the soil and contamination of natural water reserves in the area.



### Fisheries

This industry is investing in water quality projects to support biodiversity within the fish food chain which is key to their supply.



Thanks to the increasing demand for improved sustainable practices, we discovered an opportunity for LCSP to align with these industries to develop water conservation initiatives that support the objectives of both parties.

# Preparing to engage investors

## Learning from success stories

As a secondary point of research, we looked at case studies from existing water quality and biodiversity projects that LCSP could learn from.

From this and previous research, the following key success factors were identified:

-  Consistent, accurate data capture
-  Incorporation of post-project measurement into the investment model to monitor success once it is delivered.



## The Investment-Ready Tool



Research concluded the need for a standard method to value KPIs and record performance. This led to the planning of the Investment-Ready Tool, where these can be calculated and forecast to enhance investor conversations.



Businesses in which ESG funds are invested also presented a unique opportunity for sourcing finance. We developed a plan to support LCSP in aligning with the criteria that 'ESG' companies need to meet, so they can become prospective partners in helping these businesses achieve their objectives. This was factored into the criteria behind the tool.



The final step was conducting site visits of ongoing LCSP projects to apply them to the research conducted and review how they can fit into an investment model, ensuring the Tool was fit for purpose.

## Establishing the next steps

- Our analysis concluded the need to map out further data sets to create KPIs and measurables that will improve investor confidence in the opportunity industries and areas we highlighted.
- Existing data points were identified as well as those that could be created to strengthen the information gathered.
- We developed an investment pathway for LCSP to follow, aligned with the Green Finance Institute and the governance of LCSP.
- Lastly, a model for the Investment-Ready Tool was shared for LCSP to review and progress.

**Now Lincolnshire Chalk Streams Project has a clear roadmap to launching an investment proposition helping them to secure the finance needed to meet their vision.**

# Get in touch



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