

A new fix for a broken system?

Despite the increasing shortage of housing land where it matters and uncertainty over regional strategies, the need for more affordable housing is a continually pressing issue. So what can be done to encourage development?

Rob Gillespie, Managing Director of Environment Bank argues why, in the light of public-sector spending cuts, that private-sector contributions and closer involvement with communities and conservation schemes seems a better way forward.

Due to development and agricultural intensification Britain has lost 97% of its lowland grassland, 80% of wetlands and 150,000 miles of hedgerows. While biodiversity is so topical and the western world is recognising that biodiversity loss is as crucial as climate change, we find that funding biodiversity and landscape conservation will cost £2bn. So where's the money going to come from?

THE FAILURE OF SECTION 106

Once land is developed, its ability to contribute to a whole range of ecosystem services such as fresh water provision, flood management, food production, landscape quality, recreation, carbon storage and climate regulation, is lost. So compensation to mitigate for the land lost is due – at no cost to the tax payer.

While some may say that developers already "help" the environment with on-site environmental mitigation, the reality is different. After 31 years in planning, I've found the process is nearly always costly, time consuming and unpredictable.

Environmental issues emerge to reduce a site's yield, then additional land (on top of conventional public open space and strategic landscaping and amenity areas) has to be set aside to mitigate for lesser nature-conservation impacts. No wonder the process is so time consuming and costly to all involved.

A NEW, JOINED-UP PROCESS

A pre-election Conservative green paper suggested the pooling of credit purchases to put money directly into meaningful, large-scale environmental schemes would deliver increased biodiversity. The Coalition too, is promising a more 'ecosystems-based approach' to land-use planning, so a delivery mechanism is needed.

It's proposed that, for the first time in the planning process, land taken for development will be "valued" on its potential contribution to ecosystem services. The developable area lost will be compensated for through the purchase of conservation credits, bought on commencement of development. The purchase of these credits to offset impacts caused by land lost to development, will result in greater planning clarity, reduced

programme timing costs and better net developable areas for developers. The resulting funds would then be spent on nominated receptor sites, which have the greatest potential to deliver environmental improvement.

As local communities see developers giving appropriate compensation, such as more environmental gain, including large areas of green space to guard against biodiversity loss, we believe people will feel less disconnected and hostile to commercial or residential development.

HOW CONSERVATION CREDITS WILL WORK

The planning system will still protect features and constraints of acknowledged importance, but the proposed habitat banking process will avoid losing potential development land to inappropriate nature-conservation interests that do not contribute towards biodiversity, once their natural context is lost.

This new approach works on the basis that a robust and evidence-based process has already been applied to the selection of development sites and locations. It therefore seeks to take maximum advantage of those identified development sites without successive rounds of (post allocation) re-evaluation leading to a reduction in the net developable area at each turn.

In exchange for increased certainty in terms of developable site yield at the allocation stage, and less delay in determining applications, developers would purchase conservation credits based upon a calculation of the land lost to ecosystem services, ie land lost which will never be restored.

The conservation credits would be purchased on commencement of development (linked to, say section 106 or possibly through CIL) and could be phased in line with site completion. The credit purchase value would then be "pooled" with other credit purchases to be spent upon identified receptor sites. These sites would come forward early on through a "call for sites" process rather similar to the current SHLAA process and, following evaluation and prioritisation, would form a stock of sites where land-management arrangements have been entered into with the land owners.

CONCLUSION

Already many countries use environmental markets to protect natural resources; in 2008 in the United States, conservation credits raised over \$3bn for wetland conservation. The UK's Environment Agency has seen in pilots that ecosystem services projects can deliver benefit-to-cost ratios of up to

325:1. This means that for every £10,000 of developer contributions brought into a scheme through habitat banking, there will be a benefit to wildlife and the community that can be measured to be worth up to £3,250,000 over the lifetime of the project. We need a new approach – the old system has failed, so long live conservation credits.

THAMES HEADWATERS CONSERVATION CREDITS PROJECT

The Environment Bank was established to facilitate the delivery of mitigation and compensation schemes associated with planned development. Its aims are to assist planning authorities in developing habitat banking policy; to identify and assess potential landscape scale conservation sites; and to implement and manage appropriate environmental enhancements.

The first pilot scheme, and the UK's largest conservation initiative, is the Thames Headwaters Conservation Credits Project.

Covering an area of over 1,000 square miles, roughly one-and-a-half times the size of London, the scheme will use conservation credits from development to fund conservation and other ecosystem services to reconnect fragmented habitats. Planning authorities will be encouraged to require developments to purchase conservation credits to fund the scheme.

An ecosystem approach to land use will involve the creation of wildlife corridors, wetlands, woodlands and diverse grasslands across Gloucestershire, Wiltshire and Oxfordshire. It will help repopulate the landscape with native species of flora and fauna lost to 60 years of intensive land use, filter fresh water, enable climate-change adaptation and flood-risk management as well as providing attractive recreational spaces.

The project involves a partnership between The Environment Bank, the Wildfowl & Wetlands Trust, Wiltshire, Gloucestershire and Berks Bucks & Oxon Wildlife Trusts, plus co-operation with seven Local Authorities, Natural England, DEFRA, the Cotswold Water Park and other conservation organisations.

This first pilot aims to show how these groups can work together on a grand scale to account for the impact of development on the environment with long-term conservation funding.

Photo supplied by Wiltshire Wildlife Trust as part of the Thames Headwaters Conservation Credits Pilot.



THE ENVIRONMENT BANK - The Environment Bank aims to assist planning authorities in developing habitat-banking policy; identify and assess potential landscape-scale sites; assist land owners in putting their land forward for identification as conservation sites if suitable; implement environmental enhancement plans for chosen conservation sites.

For more information visit www.environmentbank.com