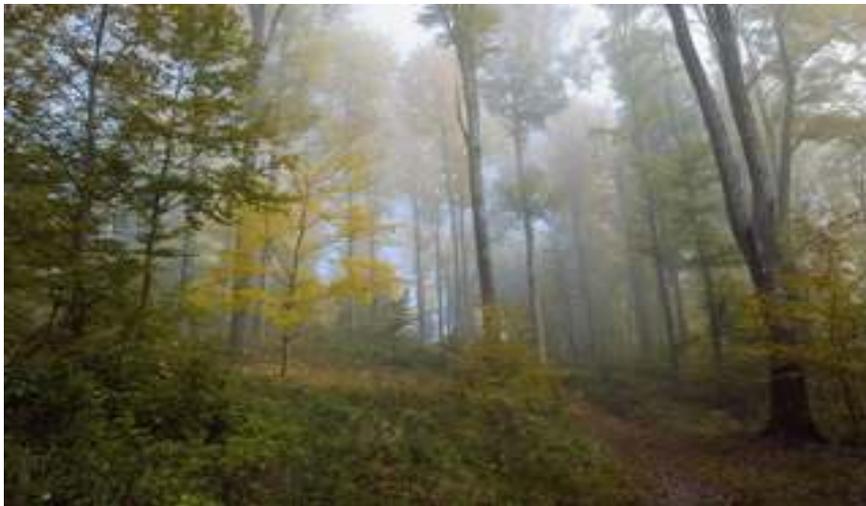




Habitat banking is the future of nature conservation in the UK

Large scale declines in biodiversity and landscape have occurred through a range of land-uses. Development pressure, which has been higher in the past 15 years than ever before, has played a significant part. We need to be far more intelligent in the way we use land – in truth we need to pay the true cost of using it and this applies to development as much as it does to growing food and other crops. Compensation for impacts to the environment through development planning is currently insufficient for the protection of biodiversity in the UK. But the adversarial approaches to development planning continue to exacerbate the problem when in fact biodiversity and landscape conservation, together with the other ecosystem services that land provides, could be provisioned by a proper engagement with the development industry.



Photograph: Dan (www.Freedigitalphotographs.net)

There is huge potential to make better use of the UK planning system to deliver proper compensation for development that is required. 'Biodiversity' or 'habitat banking' is an economic strategy which allows conservation actions such as creation, restoration or enhancements, intended to compensate and mitigate for the unavoidable impact to biodiversity caused by development projects, to ensure no net loss of biodiversity. The Environment Bank Ltd. have been progressing this novel solution in the UK to enable developments to yield substantial gains for the natural environment – something we all want. By brokering arrangements between developers, landowners and planning

authorities in appropriate locations, it is possible to assimilate large funds for the creation and management of habitats at a large landscape scale. Professional ecologists and conservation organisations would release developers from the physical task of providing on-site compensation in many circumstances, enabling landscape conservation projects of much greater value to be created and managed to contribute to the enhancement of the wider countryside. This is an extension of 'biodiversity banking', which is a successful and established mechanism that has been working effectively in the United States for a couple of decades. Habitat banking would be providing an abundance of new and high quality habitats in the countryside to deliver ecosystem service benefits such as ecological networks supporting greater biodiversity, sustaining soils and water and increasing the aesthetic and recreation value of the landscape for people to visit.

Habitat banking has sustainable development as its core objective and does not act as a "license to trash". The planning system will still operate on the basis that acknowledged and protected sites of nature conservation value are protected by policy. A key benefit of the habitat banking scheme is the pooling of credits from a range of development schemes to provide substantial added value by provisioning large landscape-scale initiatives. Furthermore the strategic approach employed enables in perpetuity agreements to monitor and manage the mitigation and compensation of habitats within a long-term framework. In future it could, for example, be used for targeting areas of the country where landowners are already showing a commitment to nature conservation, biodiversity and landscape through take up of Higher Level Stewardship.

Government could generate a significant market mechanism for getting greater funding into the natural environment by implementing a policy for habitat banking in the UK. In the US wetland mitigation banking alone was worth \$3 billion in 2008 and there is no reason why we could not stimulate a similar system in the UK. The Environment Bank Ltd. are committed to introducing the benefits of habitat banking to the UK and numerous developers and landowners have signed up to our scheme. The Environment Bank have also assisted with the development of the conservation credit scheme advocated by the Conservative shadow environment secretary Nick Herbert. Defra have evaluated biodiversity banking and report that the advantages of such a scheme deliver beyond existing policies.

Local Planning Authorities are supposed to ensure the delivery of effective mitigation, for example, through Section 106 agreements (legal obligations) but there is substantial evidence that mitigation provided within boundary of the development site is failing to deliver much of value in the wider countryside. Therefore it would be much better to capture mitigation funds and use these outwith the boundary of the site. A more sustainable approach to protecting habitats and species in the long term would come about through the adoption of a policy enabling habitat banking. The Community Infrastructure Levy (CIL), could provide a financial incentive for landowners to restore and maintain natural habitats by giving them a market value that in many circumstances would be higher than current market value and provide income streams for land management in accordance with enhancement programmes.

Here is an opportunity to apply a market-based conservation strategy of compensation and mitigation that can deliver enormous long-term benefits to UK biodiversity and ecosystem services through the creation of ecological networks and landscape initiatives. The evidence and expertise we require to ensure the success of habitat banking already exists in this country. We have to plan for the future of nature conservation and biodiversity in the UK and this is the best option for conservation mitigation.

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The Environment Bank was set up to facilitate the delivery of mitigation and compensation schemes associated with planned development via 'Habitat Banking', a concept developed in the US as a means of achieving no-net-loss of habitats and species. It is the first company of its kind in the UK, and aims to take the concept one step further, to deliver *gains* for both biodiversity and people. Find out more at www.environmentbank.com.