



Newsletter – Spring 2016

Our activity

We've been busy so it's been a while since our last newsletter! Interest in, and implementation of, biodiversity accounting and biodiversity compensation has escalated since our last newsletter. We would like to let you know of the following updates.

Underpinning all of our work is continued confirmation of the need for better accounting for biodiversity. The Government metric alone, as a tool for quantifying losses and gains - regardless of any final compensation needs - is increasingly being welcomed by those who work with the planning system (planning authorities, consultants, developers, local landowners and communities). This distinction between the accounting system itself and any compensation is important – biodiversity compensation *may* be needed, but it is the impact (and gain) calculations that are crucial for quantifying biodiversity losses and ensuring the mitigation hierarchy is followed.

In practice, one key area of recent growth has been in providing biodiversity accounting reports for developers (or LPAs) who want their impacts and proposed on-site habitat enhancements quantified. These stage 1 calculation reports often accompany planning applications and lead to subsequent reports (stage 2 & search reports) where more detailed information is required and compensation sites identified. The final step, a conservation credit sale (the securing of compensation) is often delayed by the speed of the planning system and developments not

commencing for some time after permission, and results in us currently having a large number of credit sales in the pipeline. This trend, and the escalation in requests for calculation reports by planning authorities and developers, is a strong indicator of the significant national scaling-up of the system.

Hence, Environment Bank has moved from a period of capacity building, communication and



development into a more technical implementation phase. Our information sheets, practice notes and planning toolkit now capture the guidance we have been providing to people over the past few years and allow us to focus more on casework. These resources include:

- [1 – Biodiversity Accounting – An introduction](#)
- [2 – Guidance for Local Planning Authorities](#)
- [3 – Guidance for Landowners](#)
- [4 – Guidance for Developers](#)
- [5 – The Registry & EME](#)
- [6 – Habitat Banking](#)
- [7 – CR Investment in Conservation Credits Planning toolkit](#)

We do, however, still provide tailored advice to support individual Local Planning Authorities, and continue to make time to support research, model compensation supply/demand and respond to less common enquiries, such as regarding Corporate Responsibility (CR) investments into conservation credits.

The table below shows some examples of our recent and forthcoming credit sales – these alone will bring in £1.9m to the rural economy.

Location	Development	Credits required	Compensation	
			Type	Location
Rochford, Essex	c. 600 houses + school	14	3 ha lake restoration + woodland creation	Within 2 km
Cambridge, Cambridgeshire	Large residential development	211	32 ha arable margins and grassland restoration	Within 1 km
Clitheroe, Lancashire	Industrial expansion	5	1 ha woodland and pond restoration	Within 2 km
Rugby, Warwickshire	c.100 houses	19	5 ha grassland restoration	Within 4 km
Rugby, Warwickshire	c. 860 houses + school	13	3 ha grassland restoration	Within 1 km
Thundersley, Essex	c. 7 houses	30	6 ha woodland restoration	Within 2 km
Wheatley, Oxfordshire	c. 50 houses	8	1 ha Grassland creation	Within 7 km
Warwick, Warwickshire	c. 60 houses	5	1 ha grassland restoration	Within 3 km
Southam, Warwickshire	c. 240 houses + sports facilities	11	2 ha grassland restoration	Within 6 km

Planning Authority Partnerships

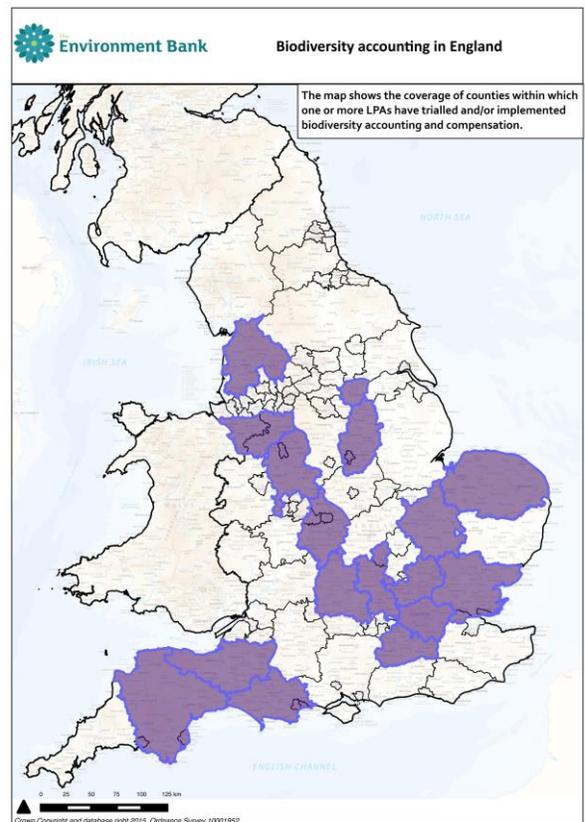
The number of partnerships with Local Planning Authorities continues to grow – we now have working relationships with over 25 LPAs across 15 counties and are currently involved with over 60 live planning applications. The map below shows the coverage of counties within which one or more LPAs have trialed and/or implemented this system of biodiversity accounting and compensation.

These partnerships are key for embedding the biodiversity accounting system in local policy. To support any LPA across the country, our one-stop-shop planning toolkit has now been sent to

120 LPA/wildlife trust ecologists and planners – plus, it is now [free to download from our website](#). As well as advice we support LPAs on individual planning applications and production of strategic policy and guidance.

From recent interest lodged by almost 30 LPA ecologists and planners, we will soon be running a training workshop (similar to two we have run before), which will build LPA capacity further.

A key way forward in streamlining the system with developers and our LPA partners is *Habitat Banking*. For many small environmental impacts it is neither effective (time and cost) nor environmentally productive to set up individual compensation schemes – far better to use the power of aggregation to deliver large areas of habitat creation or restoration – this is where Habitat Banks come in. We intend to set up sites across the country where affordable credits are sold quickly and easily to benefit all parties and the environment. This is already happening at our Habitat Bank site in the Ribbles Valley (see below



for more info) and investigation is underway in 8 other LPAs ([see Information sheet 6 - Habitat Banking](#)).

Habitat Bank sales

The first sale of conservation credits from Ribble Valley Borough Council's new Habitat Bank site was secured early in 2015. Developers pay for the credits they need once they receive planning permission, at a set price per credit, based on the total funding required for the restoration of a local site. The first sale of 1.59 credits out of a total 15.9 credits available demonstrated how the streamlined approach can prevent costly delays for developers and planning authorities – at the end of January 2015 a developer signed a purchase contract, received an invoice, paid for the credits and received a credit certificate to discharge the relevant planning condition, all within 4 working days. Further sales of credits from this bank site are currently being arranged.

We are looking at setting up more Habitat Banks across the country that will deliver large-scale conservation projects with the potential to generate sufficient biodiversity gain to provide a 5-year supply of credits within an LPA.



Our website & resources

We have recently been updating our website content, always with the aim to make our message clearer and the workings of the system easier to understand. Whilst doing that we have been reviewing our information sheets and

planning toolkit. New updated versions of these are now available for [free download from our website](#).

Our Registry and the Environmental Markets Exchange are also getting an update – keep an eye out for a new searchable map which will show the spread of landowners we now have on board selling conservation credits or who are keen to take on habitat restoration projects if the funding were available.

UK news

In 2012, Defra commissioned an evaluation of their two-year biodiversity offsetting pilots. Eight pilots ran in 6 areas (included 3 sub-pilots). The evaluation assessed whether the pilots used resources more effectively to deliver benefits for biodiversity and whether the planning decision/compensation process was streamlined. Environment Bank are encouraged by the results of the pilot evaluation, as well as the feedback from stakeholders involved in application of the system since the life of the pilots. Plus, we feel we have since tackled many of the barriers identified during the pilots as we continue to implement the system on real cases.

We have a 2-page summary of the evaluation – please contact us for a copy [or download from our website](#). A highlight from the evaluation by way of an example - *Use of the metric 'led to improvements in the nature and extent of on-site mitigation and compensation (above what was likely to have happened without the metric).'* That is, application of the mitigation hierarchy was strengthened in most cases.

International news

The regulated Victorian system in Australia, where a metric is used to quantify losses and gains, and Native Vegetation Credits are traded to secure off-site compensation (offsets), is now in its 14th year and is reviewed regularly.

The current review of the native vegetation clearing regulations, the policy that underpins the Victorian system, is out for consultation until 9th May. The Consultation Paper reveals that the system has seen some positive behavioural changes, particularly in terms of early project planning by developers. For example, the most common reason that consultants' clients took steps to avoid and/or minimise impacts on biodiversity were to meet planning application requirements (82%) and to reduce offset costs (82%). This shows that the regulated system has been strengthening adherence to the mitigation hierarchy. Other reasons included reducing environmental impacts (58%).

In terms of streamlining credit sales, the Over the Counter (OTC) program – where credits can be purchased from a habitat bank at a fixed price – made up more than 60% of trades. Stakeholders expressed a high level of satisfaction with OTC sales, which were reported to be an efficient way to connect buyers and sellers and simplify the process, therefore improving compliance with the requirement to provide offsets.

A fellow broker (VegetationLink) working in country Victoria, north west of Melbourne, reports that he is now doing over 300 credit trades per year, which fund the restoration and long-term management of large areas of protected habitat. The recent increase in trades over the past 2 years is due to:

- The mandatory nature of the system – offsets are required under the planning and environment act.
- In 2014 the government changed the like-for-like rules so that for low risk impacts, offsets can be arranged at sites restoring different habitat types if within the same catchment.
- Increased standards for offsets means fewer developers want to do it themselves and instead go to a third-party/broker (such as VegetationLink). Plus, because an offset must

be secured prior to commencement of development, often a third-party credit purchase can be made more quickly than arranging a site themselves.

Please contact us if you'd like to find out more about the Victorian system and/or the current Consultation Paper.

EB staff news

With Cara Marshall's recent return to work from maternity leave, the EB team continues to dedicate themselves to building on the years of experience in this quickly emerging system.

Contact us

We can provide advice regarding your queries or talk about recent updates on the work we're involved in. You can reach us via the contact page on our website

<http://www.environmentbank.com/contact.php> or directly at admin@environmentbank.com or 07710 192295 (Louise).