



### **BIODIVERSITY OFFSETTING—BUSTING THE OFFSETTING MYTHS**

The recent launch of a Government Green Paper on biodiversity offsetting attracted some negative coverage in the press – superficial reporting of the issue threatens to stifle an opportunity to turn the ‘lose-lose’ of our current planning system into ‘win-win’.

First - the issue. Generally, the current planning system copes with the environment either by ignoring it or, where that’s impossible, then by setting up an adversarial process that pits developers against conservationists. Lengthy battles are waged, at great time and expense to everyone, with ultimately a winner and loser. Usually, it’s the environment that loses (albeit at a financial cost to the developer), and that’s one of the reasons why our wildlife is seriously declining. But ‘development vs. environment’ is a false, as well as a damaging, dichotomy. We need development, and we should instead be asking the question “how do we make sure it’s sustainable?”

Biodiversity offsetting is simply a tool for planners – no more and no less. It allows society to accurately quantify any environmental impact in one place, account for it, compensate for it financially, and use the money to bring back to glory wildlife habitats somewhere else (usually very close to the impact site). In return for making sure that there is a net gain in wildlife the developer gets his planning permission quickly and effectively – and this is what developers want from the system.

This simple tool, based on Government-agreed metrics that calculate both loss and gain of biodiversity, turns the existing lose-lose into a win-win. It is not ‘anti-environment’ nor is it ‘anti-development’ – it works for both, it delivers sustainable development, development that produces the economic recovery the country needs whilst at the same time the environmental recovery that is, in the long term, every bit as vital.

### **Myths about offsetting**

- “Offsetting undermines existing environmental protection” – no it doesn’t, it’s simply a tool for planners to use when they are calculating environmental impact. It’s a safety-net to increase environmental protection, not diminish it.
- “Offsetting is a ‘licence to trash’” – no it isn’t, the fundamental principle behind offsetting is that developers must first avoid impact, then minimise any impact on site, and *only then* compensate for it off-site. Offsetting is a last resort, not the first option - but it is a very important last resort, because it gives developers more options to make sure that what they do is sustainable.
- “Offsetting is a tax on developers” – no it isn’t, it actually saves developers money because it speeds everything up, and treats environmental impact in a transparent, measured and non-confrontational way. Developers that respect the environment will be rewarded by getting efficient and transparent decisions.



## Biodiversity Offsetting

### Information sheet 7

- “Offsetting is going to cost developers (and house-buyers) money” – no it’s not. Not only does it save time and money on process, but any extra costs for restoring wildlife will come from the net land value. In this country farmland is worth £8,000 per acre, whilst development land with permission is worth up to £800,000 per acre<sup>1</sup>. As developers recognise that they are going to have to put, for instance, £50,000 per acre into the offsetting wildlife scheme, then they will deduct this from the price and the cost of land with permission will drop slightly to £750,000 per acre – an uplift still of over 90 times the arable value. Offsetting is a mechanism for ‘externalising’ the costs of society’s environmental footprint. Our ongoing failure to do this is what is driving wildlife loss – it’s not ‘valued’.
- “Offsetting will just encourage developers to destroy green sites” – no, exactly the opposite is true. Once the ‘wildlife value’ of sites has some financial meaning, then developers will look for sites with the least wildlife value, because they’ll be the cheapest to develop. Good wildlife sites will have the development market working *for* them, not against them. At the moment many sites with some conservation value are developed without appropriate mitigation precisely because they have no external ‘value’ - offsetting enables these impacts to be measured, captured and accounted for so that not only no net loss, but net gain, can be achieved in the wider countryside.
- “You can’t value wildlife, it’s immoral” – language is a problem here. Offsetting *doesn’t* seek to put a financial price on ‘value’ – the ‘value’ of site is very personal to an individual and those value judgements will continue to be fought through the planning system; but offsetting does ascribe a ‘cost’ i.e. if you were to damage this, this is how much it would cost to restore that damage elsewhere
- “Offsetting is going to be costly and expensive to run” – well, there are costs in the system, but elsewhere in the world (where offsetting has been successfully working for decades) the work is mainly done by independent brokers whose costs are covered by adding a percentage to the developers bill when they get their planning permission. And, don’t forget, overall developers will save money.
- “You can’t offset loss of habitat by replacing it hundreds of miles away” – the decision on where to offset is made by local planning authorities – there is no rule on how many miles away the offset must be, but early experience in England suggests offsetting will be done on a very local basis.
- “You can’t offset all habitats, some habitats are irreplaceable” – everyone agrees, and all the offsetting rules ensure that this doesn’t happen.
- “Offsetting just creates another industry” – well this is true, but the industry it creates is one of wildlife restoration projects across the country, which is badly needed! At the moment, nature conservation in this country is largely a charitable exercise, or imposed upon farmers as conditions for receiving taxpayers money. There are great examples of both but, as a whole, it’s not working – as evidenced by the numerous reports detailing widespread loss and decline of our wildlife. If we are going to reverse this decline we need to do something differently, and soon. Offsetting will potentially pay for any land managers - farmers, landowners, charities – who want to do long-term land management to restore and create our native habitats and wildlife, and will cover the costs of them doing so.

If it works well, biodiversity offsetting will not only encourage economic recovery but will also generate hundreds of millions of pounds a year for wildlife conservation at no net increased costs to developers. The Government proposals for offsetting set out in Defra’s Green Paper deserve rather more careful and serious consideration than they are currently receiving.