

Briefing

Biodiversity offsetting

If implemented correctly, biodiversity offsetting has the potential to help restore the natural environment through the creation of credits which can be pooled to allow more strategic investments in larger scale conservation activities. These would have greater wildlife value than a more piecemeal approach.

However, offsetting should not be a licence for developers to damage important habitats. To achieve nature's recovery any new system should only be applied to offset the residual impacts of a development and deliver a net benefit for the environment.

Any offsetting system must also ensure transparency and local accountability. Therefore investments from offsetting should be targeted as close to the damage as possible. Replacing one habitat with another hundreds of miles away is not an acceptable approach.

To ensure the maximum benefits from offsetting, investment should be targeted to support local ecological networks and opportunities, such as Nature Improvement Areas, which have been developed by local authorities, Local Nature Partnerships, communities and conservation organisations.

The Wildlife Trusts believe any offsetting scheme should follow a strict hierarchy, and should only be a last resort. We would suggest a hierarchy similar to that applied to carbon offsetting. This should be:

- **Firstly, avoid damage.** Our most important habitats must not be destroyed.
- **Secondly, mitigate damage** by good design that minimises land-take and damage to ecosystems.
- **Thirdly, consider offsetting** as a last resort to compensate for damage that can't be avoided or mitigated and deliver a net benefit for the environment.

The Government should ensure that these issues are resolved, and the lessons from the pilot projects taken on board, before taking forward any system of offsetting.

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Key quotes

'Offsets must only be used to compensate for genuinely unavoidable damage. Development should avoid adverse impacts first, mitigate impacts second and compensate for unavoidable impacts as a last resort.'

Professor Sir John Lawton,
Making Space for Nature,
September 2010

'Any biodiversity offsetting approach should build on existing protection for biodiversity and should aim to deliver real and additional conservation benefits.'

Richard Benyon MP, Minister for
Natural Environment, Water &
Rural Affairs, November 2012

'We are clear that offsetting should complement existing habitat designations that are designed to protect our most valuable biodiversity.'

Defra, *The Natural Choice*, June
2011

Questions and answers

What is biodiversity offsetting?

Biodiversity offsetting is an approach that can be used to compensate for habitats and species lost to development in one area, with the creation, enhancement or restoration of habitat in another. In practice, developers would offset the negative impacts of development on the natural environment by funding conservation activities in another location.

What is the difference between offsetting and existing section 106 arrangements?

The main weakness of the section 106 agreement process is the difficulty in pooling compensation from multiple developments to achieve landscape scale benefits. Offsetting would allow pooling of 'conservation credits' for more strategic investments.

What are the potential benefits of offsetting?

When used beyond important wildlife sites, as a last resort, there is an opportunity to add value. By offsetting with more than is being lost through the creation of additional habitats, offsetting provides an opportunity to augment and enrich the existing ecological network.

Where is offsetting not appropriate?

Wildlife habitats are complex and cannot simply be replaced like for like. A newly planted wood will not have the same value as an ancient wood (ecologically or biologically) for hundreds of years, if ever. Therefore our most important sites must not be destroyed and therefore damage should

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not occur at our European Sites, SSSIs and Local Wildlife Sites.

What would be the best geographical scale for an offsetting scheme?

The Wildlife Trusts support the idea of offsetting operating at a larger geographical scale than Community Infrastructure Levy and Section 106 agreements. On land we consider Living Landscape schemes or Nature Improvement Areas as the most obvious focal point of investment through this scheme and at sea it could be through contribution to a marine protected area network. However, we would be concerned if the scheme were to become too distant from the point of delivery. This risks breaking the local connection between development impact and compensation.

How should Biodiversity offsetting be managed?

We believe any scheme must be regulated, monitored and enforced by local authorities and involve local organisations, communities and experts. Credits must be spent in the right way, using the right level of expertise

Is offsetting already being used?

While the idea of offsetting is becoming widely recognised, its use in the UK to compensate for developmental damage on the natural environment is a relatively new concept. The Government is currently trialling the approach on land until April 2014 with six pilot schemes across England. Individual Wildlife Trusts are partners in these pilots and we believe Government should consider the outcomes of the trials before promoting the approach more broadly.

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