

Strength in numbers



By using Environmental Farmers Groups to navigate the biodiversity net gain minefield, it's not only housebuilders that benefit; the environment does too. **JOE DIMBLEBY** explains how working together can advantage all



As the date rapidly approaches when the 10% biodiversity net gain (BNG) rule comes into force, housebuilders and local planning authorities are wondering how best to navigate this relatively uncharted territory.

Environmental Farmers Groups (EFGs) have recently formed to help guide developers through the entire BNG process, negating the need for a deep dive into the uncertainties of natural capital markets. Connecting housebuilders directly with landowners, these farmer-led cooperatives also have the advantage of scale,

representing 445 farms covering 529,917 acres in Wiltshire, Hampshire, Yorkshire, Derbyshire, Dorset, Exmoor, Isle of Wight, North Lincolnshire and Northamptonshire – and expanding rapidly.

BNG units are generated by long-term agreements to create and look after newly created wildlife habitats in compliance with government guidelines. The Environmental Farmers Groups provide the comfort of a high level of assurance through their partnership with the UK's leading wildlife research charity, the Game & Wildlife Conservation Trust (GWCT), ▶



Images: Halfam Mills

and its subsidiary, Natural Capital Advisory (NCA).

Rather than housebuilders having to go to lots of different landowners, NCA provides a single point of contact and has the expertise to arrange the agreements.

Together, GWCT and NCA have a comprehensive understanding of the nutrient and BNG processes through good relationships with landowners, local planning authorities and national government bodies. They have already completed several nutrient mitigation solutions for housing developers and currently have 18 in the pipeline.

"GWCT employs over 60 ecologists and has decades of scientific research into habitat creation and biodiversity recovery behind it. Most importantly, it has an impressive history of expertise at working with land managers to achieve measurable conservation successes, from pioneering the first water vole reintroductions in Herefordshire to increasing red-listed lapwing numbers in the Hampshire Avon valley," says Teresa Dent, chief executive of the GWCT.

"NCA advisors have a wealth of experience in undertaking biodiversity audits and long-term monitoring, and a comprehensive

understanding of the various offset metrics. Our partnership with the EFGs is the key to unlocking the huge potential for private land managers to reverse biodiversity decline. Farmers manage 72% of the UK and so are essential to hitting government targets for nature recovery on a national scale. We believe that with the right blend of public and private finance and by working collaboratively they can achieve them."

NCA regularly consults with Natural England, Defra and the Environment Agency at the highest level and, because of its high standard of assurance and large scale, the EFG model was highlighted in the government's Green Finance Strategy as a blueprint for how farmers can help meet national targets for clean water, biodiversity recovery and carbon net zero.

While NCA guarantees quality control and long-term oversight of offset projects, the farmers provide both the land and the expertise in creating new habitats, which means good value for money. Trades that represent sound investments and a good deal for both landowner and housebuilders is a core objective of NCA.



Millfield Green, Bedfordshire by Inspired Villages

"Arriving at a valuation of nutrient and BNG mitigation that is fair for both its farmer members and the developer/local planning authority is key. On the one hand, there have been cases where housebuilders have been charged excessive prices for offset projects. On the other, there are examples of farmers receiving insufficient funding to cover the costs of providing the required environmental services, which is not in the long-term interest of either party," says Christopher Sparrow, managing director of the NCA.

The EFGs are ahead of the curve, with a growing number of their members already having completed BNG baseline audits using Defra's Biodiversity Metric. As well as building a register of ready-to-go BNG units, the cooperatives can offer bespoke projects for housing developers due to their members having a huge range of locations and potential habitats.

Moreover, many of the farmers have a proven track record of delivering nature recovery. One such is Hallam Mills, whose dairy and arable farm in Hampshire is at the heart of a successful project that reversed lapwing decline and another to reintroduce water voles in the Lower Avon Valley.

"We had a BNG audit by NCA last year, which helped us understand how the metrics work, identified the best areas for delivering biodiversity improvements and helped calculate ongoing management costs. We are now at the stage of deciding which projects we want to deliver first. In these uncertain arable markets, with



Teresa Dent

Image: Matt Dickinson



Stuart Garnett



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our Grade 3-4 land, and looking ahead to the loss of Basic Farm Payments, we want to take on new environmental schemes on marginal unproductive fields and no longer regard the extensive timeframe of the agreements as a barrier. We see BNG trades as providing a stable income in a volatile world, while doing real, long-term measurable good for the environment," said Mills.

Like the vast majority of farmers in the EFGs, Mills is a member of a smaller Farmer Cluster, a model developed by GWCT 10 years ago whereby groups of neighbouring landowners come together to work on shared landscape-scale environmental projects.

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There is also the potential to stack nitrate, phosphate and BNG offsets on the same parcel of land, providing more efficient mitigation projects for housebuilders. NCA is guiding EFGs on several long-term strategic nutrient mitigation projects involving the creation of new clean water wetlands, which will provide an impressive biodiversity dividend.

More immediate demands for nutrient offset can be met by

changing the land use in poor performing areas of a farm. EFGs have developed temporary nutrient reduction solutions, using cover cropping or fallow-land management on farmland to unlock housebuilding in the short term. These schemes generate bridging-credits for developers while they wait for schemes such as wetlands to be constructed.

Inspired Villages, the UK later living developer and operator, has pledged to be net zero by 2030, having opened its first net zero carbon (regulated energy) development, Millfield Green in Bedfordshire, this month – its ninth operational village. The development will form the blueprint for a further 25 sustainable communities, through its joint venture with Legal & General Capital and NatWest Group Pension Fund. By 2030, Inspired Villages, a leader in integrated retirement communities (IRC) will be 'nature positive', which means restoring and enabling species and ecosystems to regenerate rather than observing their decline.

"We got in touch with EFG and NCA because we were looking for a suitable nutrient solution linked to a new village in Hampshire, but also because our ambition is bigger than just regulatory compliance. They introduced us to landowners with sites that might deliver additional nutrient neutrality and BNG above the minimum requirement, so we can move to realise our desire for a more regenerative approach. NCA's ecologists have proved their

expertise at helping achieve nature recovery in other catchments, like the Avon, and the EFG has a huge reach to farmers in the region," says Stuart Garnett, a consultant to Inspired Villages.

"There's a willingness among landowners to trust NCA advisors, who speak their language, and it's easier for us to have one point of contact. We manage our communities for the long term and it's reassuring that the projects are the safe hands of people committed to delivering their obligations. For us, it's got to be the gold standard, not just putting a bit of green roof on a shed or carport. That's why it's essential to work with people like NCA, who are leading on this and have been doing it for years. It's a real challenge for our industry but the benefit to Environmental Social Governance (ESG) is massive."

Teresa Dent believes the potential for BNG and nutrient trades with the farmers' environmental cooperatives represents an exciting opportunity for the housebuilding sector to make a hugely significant contribution to achieving national nature recovery alongside food security.

"By partnering with EFGs, housebuilders can play a vital role in the restoration of some of the UK's most iconic natural assets, from the chalk streams of Hampshire to the spectacular Yorkshire Dales," says Dent. ^{sh}

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