

We've already got a lot of acronyms in farming.

There's BPS, NVZ, GMS, SSSIs, AONBs and the RPA, just for starters. We'll need to get used to a new one, though – BNG.

It stands for Biodiversity Net Gain and it might just prove to be one of the most important concepts some farmers can be involved with over the coming years.

DEFRA (yet another acronym) has defined it as 'an approach to development which aims to leave the natural environment in a measurably better state than beforehand'. Basically, BNG – which is soon likely to be enshrined in law – will mean that a developer will have a legal obligation to provide a minimum of a 10% biodiversity net gain when undertaking a project.

They'll have to submit plans for how they intend to do this with their planning application and if these don't stack up, the authorities will give the proposal the thumbs-down.

On a national scale, the pursuit of BNG will facilitate joined-up conservation efforts, provide greater clarity and transparency around ecological expectations and mitigation, plus bring wider social and economic benefits.

It's all part of the drive to restore and enhance 'natural capital', the suite of 'public goods' (which, along with biodiversity, includes clean water, fresh air and public access) that the government has placed at the centre of its new strategy for land use.

For farmers and landowners, especially in the South East where development for housing, industry and other infrastructure projects is set to continue apace, BNG presents a huge potential opportunity, as the net gain needn't necessarily be provided on the site of the development. In other words, developers will be looking to enter into agreements with farmers to provide this BNG for them.

This brings the possibility of a potential whole new market in delivering 'offsite' habitat creation – one that could be essential to farms and estates as BPS payments plummet.

DEFRA, meanwhile, has been developing a process for allowing a pre-development and post-development biodiversity value of a site to be

BNG COULD BE AN ACRONYM FARMERS LEARN TO LOVE

calculated, allowing the difference in 'units' to be measured.

Its Biodiversity Metric 2.0, which is still a work in progress, is a (supposedly simple) tool, allowing such calculations to be made at scales ranging from individual streets and fields to whole catchments.

There are still many unanswered questions about this metric. What is clear, though, is that when it comes to understanding the baseline and taking measurements, the farming industry will increasingly look to environmentalists for support in marshalling its case. They'll increasingly be required to work with a – forgive my use of another acronym – SQE (Suitably Qualified Ecologist) in this respect.

There are also questions about the payments that might result. Would any such compensation be paid as a lump sum or as annual payment? How will it be treated for tax? The industry is also only now beginning to drill down into what clauses might be needed in the legal agreements covering 'mitigation sites' – maintenance obligations, for example, if the land changes hands.

Another critical question, of course, is what revenue will providing BNG actually generate for farmers and landowners. This is a new, emerging market so the figures are yet to crystallise, but one thing's for sure – as BPS payments dwindle and disappear, it could prove to be the single most important replacement source of revenue for some.

The big housebuilding firms might have landbanked many acres in the South East, but this is specifically to construct houses on – it's less likely that they will have acquired or even scoped out ground on which to provide the necessary environmental net gain.

Developers might be able to avoid biodiversity harm altogether on some projects or indeed be able to 'mitigate and enhance' on the actual site, but

where they've already acquired land, they may well want to squeeze as many homes on it as possible, rendering providing the 10% biodiversity net gain difficult. Inevitable, then, that they'll look around in the locality (and even potentially further afield), opening the door to farmers to provide this offsite mitigation.

Not only do farmers have the fundamental asset required as the starting point – the land – but they also have experience of fostering biodiversity.

So what should farmers and landowners be doing at this stage? Cultivating contacts with developers wouldn't be a bad move. An even more practical starting point might be understanding which fields or parts of fields are suited to such habitat creation, focusing first on less productive agricultural land. This will be useful whether providing offsite mitigation for someone else or if they ever need to provide BNG for a development project of their own. It's also worth trying to wrap your head around your land's baseline biodiversity – something we're already helping some clients do.

Yes, there will hopefully be cash available via the much-anticipated Environmental Land Management Scheme to replace some – potentially even all – of the shortfall left by the phasing out of support payment for direct production but for many, BNG could be a new income stream – one that might well make the difference between profit and loss.

As acronyms go, the shift from BPS to BNG isn't massive – but the practical and financial implications could be huge.

ANTHONY WESTON

Director, CLM

T: 01892 770339

@anthonyweston

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