Written evidence submitted by the Home Builders Federation

1. The Home Builders Federation is the principal trade association representing private sector home builders in England and Wales. Our members – who range from large national companies, through regional firms to smaller, more locally based businesses - account between them for approximately 80% of the new homes built each year.

2. The Federation is studying the green paper proposals published by Defra closely, having also taken part in the discussions that have led up to the current consultation.

HBF’s views on the proposals

3. We agree in principle that the introduction of a national approach to biodiversity offsetting could bring advantages for the country, resulting in better outcomes.

4. In doing so, we also agree with Defra’s objective that the key test for any national approach should be that it helps the planning system to deliver more for the economy and the environment – and to do so in an efficient way.

5. While the concept of biodiversity offsetting is a relatively simple one at the high level, however, it involves some complexity at a more detailed level and it will be vital to understand and work through this complexity in establishing whether a national approach on the lines proposed can in practice realise the benefits for both the economy and the environment that are sought.

6. Offsetting already occurs as part of the planning process, but this has been on a piecemeal basis until now, with the exception of the current offsetting pilots.

7. A significant consideration for home builders is, therefore, whether an agreed national approach to offsetting would improve current arrangements for determining such matters in the planning system.

8. We would see benefit in there being a clear national approach and a clear, readily usable metric for assessing offsets that could be used in a consistent way across the country. Discussions with individual planning authorities could then be based on this framework that is accepted as having objective national authority rather than needing to start from a different basis in different cases.

9. There would also be other potential benefits from the Federation’s perspective. The availability of an accepted national approach and metric would help developers to make judgements about which sites were most suitable for development when seeking to acquire land for future projects. In addition, a national framework for offsetting could assist local planning authorities and developers in discussions relating to the allocation of sites under local plans.

10. We recognise and accept that offsetting should only come into play where appropriate under the mitigation hierarchy. This will limit the number of cases where offsetting might be used, but in cases where it is used offsetting does have potential to enable some developments to proceed that might not otherwise be able to do so or to improve the outcomes in terms of the amount of housing supply that can be accommodated.
11. Our view is that a national approach to offsetting should be fully permissive. From a commercial perspective we think it is appropriate and reasonable that this is so. The value and benefit of a national approach should stand or fall on whether it actually offers benefits in economic terms and improves the efficiency of the planning system while achieving required environmental benefits. A mandatory approach would not offer that safeguard for developers since there would not be the option to choose another route and the incentives to manage any complexities involved efficiently would be diluted.

12. We think that such a permissive approach would therefore be the best safeguard for ensuring the twin goals of economic and environmental benefit were realised through offsetting and set the right market signals in place.

13. The development of a market and market liquidity for offsetting would also depend on the metric adopted and the flexibility this provides.

14. We consider the metric needs to be kept as simple and flexible as possible as the more detailed and complex it becomes the more it will be likely to limit the availability of offsetting solutions and complicate discussions associated with planning applications. More complex metrics would also add to assessment costs.

15. As the green paper makes clear, however, there will be habitats that are not readily or feasibly replaceable and any national framework needs to take account of that.

16. Achieving liquidity in a market-based approach to offsetting would also be assisted by allowing for offsetting projects to be located outside the immediate area of the planning application as far as possible. Such proximity will in any case be difficult in some areas, but as a general rule it is likely that the more restrictive the rules on proximity are the fewer solutions will be available and the higher their cost.

17. In terms of planning process, the advantage of a national approach would be if it simplified the consideration of individual planning applications. This links, however, to the question of assessment.

18. We would advocate that the simplest and most efficient approach to ensuring that assessments are undertaken to suitable standards is that the relevant professional bodies should require their members to have the necessary capability to undertake assessments under any agreed national approach and metrics for offsetting. Professional bodies could also, if necessary, arbitrate, but if planning applicants used a suitably competent member of a professional body to undertake an assessment to be submitted with a planning application this should in principle be considered a sufficient assessment by the planning authority. If planning process is to improve, we would wish to see an end to the duplication of assessments that often occurs at present.

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