



**FOR PUBLICATION**

**DERBYSHIRE COUNTY COUNCIL**

**IMPROVEMENT AND SCRUTINY COMMITTEE – CLIMATE CHANGE,  
BIODIVERSITY AND CARBON REDUCTION**

**MONDAY, 22 MAY 2023**

**Report of the Executive Director - Place**

**Identifying the Council's Role in Nature Recovery**

**1. Purpose**

- 1.1 To inform the Improvement and Scrutiny Committee of the nature recovery implications for the Council arising from the Environment Act 2021 and the Government's Environmental Improvement Plan 2023.

**2. Information and Analysis**

**2.1 Background**

- 2.1.1 There is recognition from the Government, public authorities, and the environmental sector that prompt action is required to address society's neglect of nature. Planning for nature recovery must take place in a strategic, collaborative, and evidenced based manner. Furthermore, a more biodiverse environment will allow important new climate change, social, health, regeneration, and economic growth benefits to be realised.
- 2.1.2 The Council has set policy to fulfil the stewardship roles it has for protecting landscapes and habitats from the impacts of climate change and biodiversity loss, and to facilitate appropriate use of the county's valuable ecosystem services to the benefit of everyone.

2.1.3 This is demonstrated through the following Council Plan 2023-25 priority and action:

- Priority – A prosperous and green Derbyshire
- Action – Develop the Local Nature Recovery Strategy for Derbyshire in accordance with the Environment Act 2021 for the co-ordinated benefit of Derbyshire’s natural environment

2.1.4 The following Council policies are also of relevance:

- The Climate Change Strategy: Achieving Net Zero 2021-2025 (which recognises reversing the decline in biodiversity as a key issue facing society that this Strategy will itself help to address)
- To facilitate the planting of up to 1 million trees across Derbyshire by 2030
- To maximise opportunities for carbon capture using woodlands as agreed in the Vision Derbyshire Climate Change Strategy: 2022-2025
- To make decisions that protect and enhance nature wherever possible, as detailed in the Council’s Nature Recovery Resolution, that was passed at the meeting of the Council on 2 February 2022 (set out in the minutes of the meeting at item 10/22)

2.1.5 Furthermore, the East Midlands Mayoral Combined County Authority (MCCA) Deal (August 2022) makes the following important commitments:

- Provisional agreement by Derbyshire County Council and Nottinghamshire County Council to act as the responsible authorities for the preparation of the Local Nature Recovery Strategies (LNRSs) for the Derby City and Derbyshire County, and Nottingham City and Nottinghamshire County LNRS respectively. Both county councils will work to ensure join-up of each LNRS where this is possible.
- Production of a MCCA Flood Alleviation Strategy to help build community and economic resilience. This will support a comprehensive approach to tackling local nature recovery with a focus on green and blue infrastructure and maximising benefits for people, wildlife, and the economy.

2.1.6 In progressing this policy agenda, the Council has invested in preparing a Natural Capital Strategy for Derbyshire. This Strategy provides a unique and comprehensive understanding of the current condition of Derbyshire’s natural environment; the type and value of the ecosystem services it provides and where opportunities exist for improvement. Natural capital is the stock of renewable and non-renewable natural

resources (e.g. plants, animals, air, water, soils, minerals) that combine to yield a wide range of benefits (ecosystem services) to people.

2.1.7 The Natural Capital Strategy's findings are of great relevance to ensuring a robust landscape-level approach is applied to the Council's advocacy of nature recovery across Derbyshire. It considers, in detail, the diverse network of Derbyshire's woodland, heathland, wetland and grassland habitats. For example, it identifies how trees and woodlands make a huge contribution to enhancing biodiversity, mitigating the impacts of climate change, improving public health, providing jobs, supplying markets and in celebrating cultural heritage. However, the Strategy also identifies that climate change, increasing population pressure and a decline in biodiversity are negatively impacting on the resilience of these habitats and restricting their ability to provide many of the ecosystem services that much of society takes for granted.

2.1.8 The Environment Act 2021 includes a suite of interrelated measures which underpin the objectives of the Government's Environmental Improvement Plan 2023. These are also of relevance to and complement the Council's intentions to ensure nature recovery across Derbyshire. They are summarised as the following five statutory drivers for change, which are explained further in the remainder of this report.

- New legally binding national targets to protect the environment.
- An amended and strengthened general duty for Councils (and other public bodies) to seek to conserve and enhance biodiversity.
- A Local Nature Recovery Strategy for each area.
- Biodiversity Net Gain (BNG) as a mandatory requirement for planning permission.
- Biodiversity Net Gain offsetting.

## 2.2 **New Legally Binding Targets to Protect the Environment**

2.2.1 The Government has set national targets to drive action to tackle climate change, restore natural capital, and protect landscapes and green spaces. The targets include:

- Halt the decline in species populations by 2030, and then increase populations by at least 10% to exceed current levels by 2034.
- Restore precious water bodies to their natural state.
- Increase total tree and woodland cover from 14.5% of land area now to 16.5% by 2050.
- Restore or create in excess of 500,000 hectares of a range of wildlife-rich habitat outside protected sites by 2042, compared to 2022 levels.

2.2.2 The Environment Act 2021 requires environmental considerations to be central to national and local Government policy making, thereby delivering these targets against the principles of: integration; prevention; rectification at source; polluter pays; and the precautionary principle.

## 2.3 **Duties on the Council for furthering the Conservation and Enhancement of Biodiversity**

2.3.1 The Environment Act 2021 (amending the Natural Environment and Rural Communities Act 2006), has, strengthened and expanded the duties on public authorities towards the “general biodiversity objective”, With effect from 1 January 2023, that objective has thus been widened to comprise “the conservation and enhancement of biodiversity in England”. The enhanced duties include requirements for each public authority:

- to consider what action it can take to further that objective;
- to set such policies and specific objectives as it considers appropriate for taking such action; and
- to take such action as it considers appropriate having regard to such policies and [specific] objectives, to further that [general] objective.

The duties also now include a requirement for production of Biodiversity Reports. For authorities that are Local Planning Authorities, as the Council is, this reporting must include information on BNG outcomes related to the planning system (see Paragraph 2.5).

2.3.2 Hence, Local Planning Authorities I must publish a first Biodiversity Report, in first 12 weeks in 2026 at the latest, to cover a period of up to 3 years from January 2023. The next such reports to be published need to cover a period of no more than 5 years. for submission to Natural England. However, there is an expectation that the Council will report publicly on its biodiversity duty actions annually. Therefore, this first report should be published in early 2024, to cover the period of the first year, up to 31 December 2023.

## 2.4 **A Local Nature Recovery Strategy for Derbyshire**

2.4.1 The Environment Act 2021 also brings into law the appointment by the Government of Responsible Authorities to create Local Nature Recovery Strategies (LNRS), which it intends will form a national Nature Recovery Network (NRN). The NRN is expected to comprise around 50 LNRS largely based upon counties and combined authority areas, and which will collectively cover the whole of England. Each LNRS will be prepared during 2023-24 and be designed to ensure locally targeted,

more co-ordinated, practical, and focused action, and investment in nature.

- 2.4.2 The Council has provisionally been identified by the Government as the “Responsible Authority” for the creation of a LNRS for Derbyshire. The Government intends that each Responsible Authority will work closely with relevant public, private and voluntary sector organisations to draw on their shared expertise in the co-production of their area’s LNRS. Hence the LNRS will reflect collective knowledge of relevant planned or ongoing nature recovery activity, enabling the LNRS to improve integration between existing efforts to improve the natural environment in Derbyshire. The LNRS must be understandable and of value to local stakeholders and therefore their involvement in its preparation will be essential. The Government expects such stakeholders to include Non-Governmental Organisations (NGOs), local planning authorities, businesses, landowners, and managers (e.g. the agricultural sector), and community interest groups.
- 2.4.3 The approach/scope that the Council will need to adopt in preparing the LNRS as the Responsible Authority for Derbyshire is as follows.
- a) **Purpose**  
The LNRS will provide the route map for nature recovery in Derbyshire; setting a long-term vision and action plan that is formulated and delivered in a collaborative manner.
  - b) **Establishing the baseline**  
The LNRS will map the location and condition of Derbyshire’s habitats, i.e. existing areas, places and sites that are already good for nature and which form the basis for nature recovery. Furthermore, it will identify where biodiversity is in decline or limited in ecosystem value. The Council’s Natural Capital Strategy provides this information for Derbyshire and therefore this part of the LNRS is in effect largely prepared.
  - c) **Setting Derbyshire’s ambition for nature recovery through a Statement of Biodiversity Priorities**  
The LNRS preparation will identify priorities, outcomes and measures for nature recovery and the wider environmental, economic and social benefits this will realise. Importantly, this work needs to include engagement workshops and meetings with a range of residents, experts and organisations to co-produce the nature recovery priorities, outcomes and measures for Derbyshire.
  - d) **A Delivery Plan for Nature Recovery in Derbyshire**  
The LNRS will need to provide a robust, costed, long-term set of actions through which Derbyshire’s nature recovery will be delivered, with an initial five-year time horizon.

## 2.5 Biodiversity Net Gain as a Mandatory Condition of Planning Permission

2.5.1 BNG will become a mandatory part of the planning permission system from November 2023. Developers will be required to demonstrate  $\geq 10\%$  net gain in biodiversity from their developments compared to the pre-development biodiversity value of onsite habitats. Where sufficient biodiversity cannot be delivered on site, the developer has the opportunity to deliver the outstanding number of biodiversity units offsite, through a process known as offsetting (see section 2.6 below).

2.5.2 Therefore, all Local Planning Authorities (including the Council) must ensure that the statutory requirement for BNG delivery is met through their operation of the planning system. This will include the following new roles of assessment, control, and monitoring:

- Consideration of BNG where pre-application advice is being provided to developers.
- Planning application BNG formal review/assessment, i.e. of the developer's Biodiversity Net Gain Plan.
- Critically reviewing biodiversity metric calculations submitted with planning applications (in accordance with the Government's Biodiversity Metric).
- Preparation of BNG conditions and obligations for new development.
- Undertaking the monitoring, enforcement, and reporting of the delivery of approved BNG conditions and obligations for a 30-year period.

2.5.3 Ideally, these new BNG planning responsibilities will be applied consistently by all the Derbyshire Local Planning Authorities. Planning officers are currently discussing how this is best progressed.

## 2.6 Biodiversity Offsetting

2.6.1 Biodiversity offsetting will become a new market mechanism that the Government is establishing to drive and fund nature recovery in England. The commencement of biodiversity offset markets is anticipated from November 2023 (when mandatory BNG planning permission starts) and is expected to lead to multiple local biodiversity offset markets evolving across England. The Government has estimated that this market will generate annual demand for around 6,200 off-site biodiversity units for England with a value of £135 million.

2.6.2 Land managers (the supply-side) who can create or enhance habitat to the required BNG standards on their land will be able to sell biodiversity

units to the developers who cannot achieve BNG on their development sites. The land managers will be able to use this income to fund the habitat improvements on their land and its maintenance for at least 30-years after the completion of the BNG works. In return for purchasing the biodiversity units from land managers, the developers (the demand-side) will be able to demonstrate their mandatory BNG compliance to Local Planning Authorities. These arrangements will be legally binding to the land affected through new conservation covenants or planning obligations.

2.6. 3 There is no statutory requirement for local authorities to participate in biodiversity offset markets. However, there may be opportunities for the Council which are summarised below.

a) **Providing strategic direction to biodiversity unit investment in Derbyshire**

The LNRS, which the Council is due to become accountable for preparing in 2023-24 / 2024-25 (see Paragraph 2.4 above), will influence such decision making through the identification of a prioritised investment pipeline of Derbyshire sites suitable for BNG offsetting.

b) **Commercial involvement in the biodiversity offsetting land market**

There could be market opportunities for the Council to act as a BNG offset site provider by selling biodiversity units from its public land, and thereby improving its habitat credentials, either direct to developers or via a broker.

c) **A trusted advisor and/or broker of biodiversity offsetting**

The Council could expand on its Local Planning Authority BNG statutory functions, to offer BNG offsetting advisory paid-for services (with a clear demarcation between these roles). For example, it could help developers to understand BNG offsetting options in Derbyshire, and how to prepare Biodiversity Net Gain Plans that include such offsets.

d) **Habitat Maintenance Services**

Whilst the Council would be responsible for maintaining new habitats created from BNG offsetting on its own land (funded by developers' biodiversity units), it could also incidentally provide a paid for service for habitat conservation and maintenance to developers or landowners of either the BNG net gain on the development land or of the BNG net gain on their offset land.

### **3. Consultation**

- 3.1 There are no consultation requirements for this report. However, the Council has a responsibility to undertake public consultation in preparing the Local Nature Recovery Strategy for Derbyshire. This activity will be included in this Strategy's workplan, which will be subject to Council approval before it is delivered.

### **4. Alternative Options Considered**

- 4.1 The Council has yet to determine its specific approaches to addressing the five drivers identified in this report. This analysis will be undertaken during quarter 1 and quarter 2 of 2023-24 for each driver, with alternative options being considered to inform the Council's decision-making process for progressing them.

### **5. Implications**

- 5.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

### **6. Background Papers**

- 6.1 The Council's Climate Change Strategy: Achieving Net Zero 2021-2025.
- 6.2 The Council's Nature Recovery Resolution (from the meeting of the Council on 2 February 2022, set out in the meeting minutes under item 10/22).
- 6.3 Vision Derbyshire Climate Change Strategy: 2022-2025.
- 6.4 The Council Plan 2023-25  
[The Council Plan 2023 to 2025 \(derbyshire.gov.uk\)](https://www.derbyshire.gov.uk/council-plan-2023-to-2025)
- 6.5 East Midlands devolution deal  
[East Midlands devolution deal - GOV.UK \(www.gov.uk\)](https://www.gov.uk/east-midlands-devolution-deal)

### **7. Appendices**

- 7.1 Appendix 1 – Implications.
- 7.2 Appendix 2 – Natural Capital Strategy for Derbyshire.



## **8. Recommendation**

That the Committee:

- a) Notes the nature recovery implications for the Council arising from the Environment Act 2021 and Environmental Improvement Plan 2023 that are described in this report.

## **9. Reason for Recommendation**

- 9.1 To ensure that the Committee is able to understand and support the work being undertaken to ensure the Council fulfils its statutory duties and Place leadership responsibilities in respect to nature recovery.

**Report Author:** Rupert Casey

**Contact details:** [Rupert.Casey@derbyshire.gov.uk](mailto:Rupert.Casey@derbyshire.gov.uk)

**Implications****Financial**

- 1.1 The specific financial implications arising from the drivers for change identified in this report have yet to be determined. However, the Council will look to the Government for New Burdens Funding in the first instance to support its delivery of the new statutory duties associated with BNG in planning and the preparation of a Local Nature Recovery Strategy. If such funding is not forthcoming, then the policy will need to be revisited to fit within the resource constraints of the Council.
- 1.2 The anticipated resource requirements are identified below along with potential funding solutions.

**Resource issues**

Identified new resource requirements	Priority	Projected cost 2023/24	Anticipated period of need
<b>Local Nature Recovery Strategy (LNRS)</b>			
• Nature Recovery Manager (Grade 13 – to be confirmed)	High	£0.059m	2023/24 to 2025/26
• Local Nature Recovery Strategy Officer (Grade 11 – to be confirmed)	High	£0.047m	2023/24 to 2025/26
• Backfilling expertise from DCC Conservation, Heritage & Design Service	High	£0.070m	2023/24
• LNRS Partnership Board professional chair	Medium	£0.010m	2023/24
• Stakeholder engagement advisor / facilitator	Medium	£0.030m	2023/24
<b>Biodiversity Net Gain planning</b>			
• Biodiversity Officer (Grade 11 – to be confirmed)	High	£0.047m	Permanent
<b>Commercial opportunities</b>			
• Assess the viability of the Council hosting a "Derbyshire Nature Recovery Advisory Service" for other LPAs	Medium	£0.050m	2023/24

<ul style="list-style-type: none"> <li>Assess the viability of the Council providing a "commercial" biodiversity offsetting service</li> </ul>	Medium	£0.050m	2023/24
<b>Total</b>		<b>£0.363m</b>	

<b>Potential funding solutions</b>
<b>1. Government new burdens funding for Local Nature Recovery Strategy</b> <ul style="list-style-type: none"> <li>£0.048m in 2022/23 for Council preparation for Local Nature Recovery Strategy (not used)</li> <li>New funding for Local Nature Recovery Strategy preparation of £0.200m for 2023/24 and £0.175m for 2024/25</li> </ul>
<b>2. Government new burdens funding for Biodiversity Net Gain planning</b> <ul style="list-style-type: none"> <li>£0.037m in 2022/23 for Council preparation for BNG planning (£0.027m used towards the cost of preparing the Natural Capital Strategy)</li> <li>Expect £0.020m per annum for 2023/24 &amp; 2024/25 for BNG planning</li> </ul>
<b>3. The Council's Climate Change Programme</b> <ul style="list-style-type: none"> <li>£4m reserve</li> </ul>
<b>4. Income generation (value to be confirmed as subject to business case appraisal)</b> <ul style="list-style-type: none"> <li>From BNG / ecological planning advisory service</li> <li>From biodiversity offsetting commercial services</li> </ul>

<b>Potential funding solutions</b>
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<b>2. Government new burdens funding for Biodiversity Net Gain planning</b> <ul style="list-style-type: none"> <li>£0.037m in 2022/23 for Council preparation for BNG planning (£0.027m used towards the cost of preparing the Natural Capital Strategy)</li> <li>Expect £0.020m per annum for 2023/24 &amp; 2024/25 for BNG planning</li> </ul>

### **3. The Council's Climate Change Programme**

- There is a £4m Earmarked Reserve to support Climate Change initiatives – there will be a call on this reserve if required for any one-off funding support, subject to the balance being available

### **4. Income generation (value to be confirmed as subject to business case appraisal)**

- From BNG / ecological planning advisory service
- From biodiversity offsetting commercial services

## **Legal**

2.1 As has been summarised in this report, the Environment Act 2021 has strengthened the “general biodiversity objective” (which is now for the conservation and enhancement of biodiversity in England), and imposed new duties on public authorities towards furthering that general objective. It brings in new requirements for planners and decision-makers in councils which relate to nature and biodiversity, including new provisions for objectives, policies and actions for improving the natural environment.

2.2 Furthermore, the Environment Act 2021, and brings into law a system for Local Nature Recovery Strategies, that will together in form a national recovery network.

2.2

## **Human Resources**

3.1 The Council's delivery of the drivers for change identified in this report has human resource implications, given the associated new responsibilities and skills officers will need to provide. The following additional officer resources have been identified, which will be subject to the approval of the Executive Director – Place. The Council will seek to fund these new posts through New Burdens Funding that is expected to be provided by the Government.

- 1 Full Time Equivalent (FTE) Nature Recovery Manager (Grade 13 – subject to job evaluation).
- 1 FTE Local Nature Recovery Strategy Officer (Grade 11 – subject to job evaluation).
- 1 FTE Biodiversity Officer (Grade 11 – subject to job evaluation).

## **Information Technology**

- 4.1 The effective delivery of Council action to address the identified policy drivers for change is likely to have information technology implications. These will be considered on a case-by-case basis.

## **Equalities Impact**

- 5.1 The Council will ensure it complies with, and champions, inclusive approaches to its nature recovery priorities.

## **Corporate objectives and priorities for change**

- 6.1 The implications arising from this report have relevance to the following Council Plan priorities:
- Resilient, healthy, and safe communities.
  - High performing, value for money and resident focused services.
  - Effective early help for individuals and communities.
  - A prosperous and green Derbyshire.

## **Other (for example, Health and Safety, Environmental, Sustainability, Property and Asset Management, Risk Management and Safeguarding)**

### **Environmental Sustainability**

- 7.1 The implications arising from this report have significant implications for Derbyshire's Green Infrastructure as this will provide the physical delivery of BNG, the Local Nature Recovery Strategy, and Natural Capital Strategy.
- 7.2 GI is defined as "a network of multi-functional green and blue spaces and other natural features, urban and rural, which can deliver a wide range of environmental, economic, health and wellbeing benefits for nature, climate, local and wider communities, and prosperity" (National Planning Policy Framework, 2021).
- 7.3 The drivers identified in this report represent a radical uplift from January 2023 in the Council's strategic responsibilities for the natural environment in terms of collaborative leadership, place-shaping regeneration, regulation, applying ecological expertise, and securing new models of investment.