



Department
for Environment
Food & Rural Affairs

Biodiversity Net Gain

Statutory Biodiversity Credits for Local Planning Authorities



What we'll cover

- BNG recap
- What are statutory biodiversity credits?
- The Developer and LPA journey
- Q&A

BNG recap

- Since April biodiversity net gain (BNG) has applied to the majority of developments receiving planning permission under the Town and Country Planning Act.
- Habitat is used as a proxy for biodiversity. Developers must deliver a minimum 10% habitat uplift.
- BNG is a post-permission, pre-commencement matter, meaning that developers must show how they meet the 10% gain requirement once they have received planning permission. This is because it's only at that point that the site's plans are finalised and the final impact on the site is known.
- Habitats are classified according to distinctiveness and for very high and high distinctiveness habitat plus watercourse and hedgerows, losses must be replaced with the same habitat type.

How can developers achieve BNG?

On-site



Avoid impacts and/or enhance biodiversity onsite

Off-site

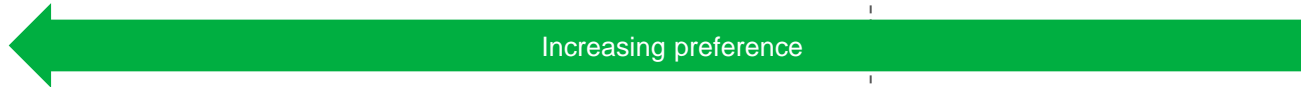


Enhance on other land holdings or purchase **biodiversity units** from third parties

Statutory Credits



Last resort, **credits** sold by government will be re-invested in habitat enhancements



Statutory Biodiversity Credits

- They are a backstop and should only be used when other options are unavailable. We want to follow the mitigation hierarchy with preference given to avoiding impacts and/or mitigating on site
- But statutory biodiversity credits are there to ensure that the pace of development in England is not impacted by the introduction of mandatory BNG
- Money gets paid in by developers to a central pot held by HMT. Government is then required to spend that income as set out in the Environment Act.

Local Authority decision points

1. When a developer first enters conversations with the LPA or submits a planning application, if credits are to be used – the LPA should make an initial assessment of whether the mitigation hierarchy has been satisfied.
2. If the LPA is satisfied it has been and that a credits purchase is necessary, and planning permission has been granted, a gain plan should follow which should include information on how the mitigation hierarchy has been satisfied and a credits proof of purchase document issued by NE.
3. The credit proof of purchase should be cross checked with the metric to ensure the right number of credits have been purchased for each tier.

We'll now go into a little more detail on both of these requirements

What a gain plan should look like if justifying a credits purchase

- The gain plan is where developers should be showing how they have met the **mitigation hierarchy** i.e looking first to do BNG onsite, then purchase offsite units in preference to credits
- This may include:
 - Ecologist assessment stating that BNG cannot take place (wholly) on site
 - Enquiry emails to at least three BNG unit providers showing that they have tried to buy offsite units
 - Screenshots of [Biodiversity Gain Sites Register](#) showing no unit availability of the required habitat type

Ensuring the right number of credits are bought

This is the unit shortfall summary tab and shows how many credits for each tier should be purchased. Think of “unit shortfall” as a synonym for credits – if developers are falling short on onsite BNG or offsite units, they will need to purchase credits and that will show here.

The headline results tab should NOT be used for guiding credits purchases as it doesn’t include the spatial risk multiplier.

Unit Shortfall by Tier/Module

Tier	Unit Shortfall
A1	2.4 ▲
A2	0.00
A3	0.00
A4	0.00
A5	0.00
H	1 ▲
W	0.00

*The spatial risk multiplier has been applied to all unit shortfall values.

Start | Main Menu | Unit shortfall summary | Results | Headline Results | Trading Summary Area Habitats | Trading Summary

FINAL RESULTS

Total net unit change <small>(Including all on-site & off-site habitat retention, creation & enhancement)</small>	<i>Habitat units</i>	-0.56	Total net gain achieved is less than target set ▲ Total net gain achieved is less than target set ▲
	<i>Hedgerow units</i>	0.00	
	<i>Watercourse units</i>	0.00	
Total net % change <small>(Including all on-site & off-site habitat retention, creation & enhancement)</small>	<i>Habitat units</i>	-39.94%	
	<i>Hedgerow units</i>	0.00%	
	<i>Watercourse units</i>	0.00%	
Trading rules satisfied?		No - Check Trading Summaries ▲	

Unit Type	Target	Baseline Units	Units Required	Unit Deficit
<i>Habitat units</i>	10.00%	1.41	1.56	1.2
<i>Hedgerow units</i>	10.00%	1.34	1.47	0.5
<i>Watercourse units</i>	10.00%	0.00	0.00	0.00

No additional watercourse units required to meet target ✓

Checking the metric and sales proof correlate

If a developer is buying credits, when they submit their gain plan they should share with you their “Statutory biodiversity credits Proof of purchase” receipt issued by Natural England. This will show how many credits they have bought and the LPA can check that the number of credits for each tier matches the number in the **unit shortfall tab**. You can see that in this example they do match.

Biodiversity statutory credits purchase details

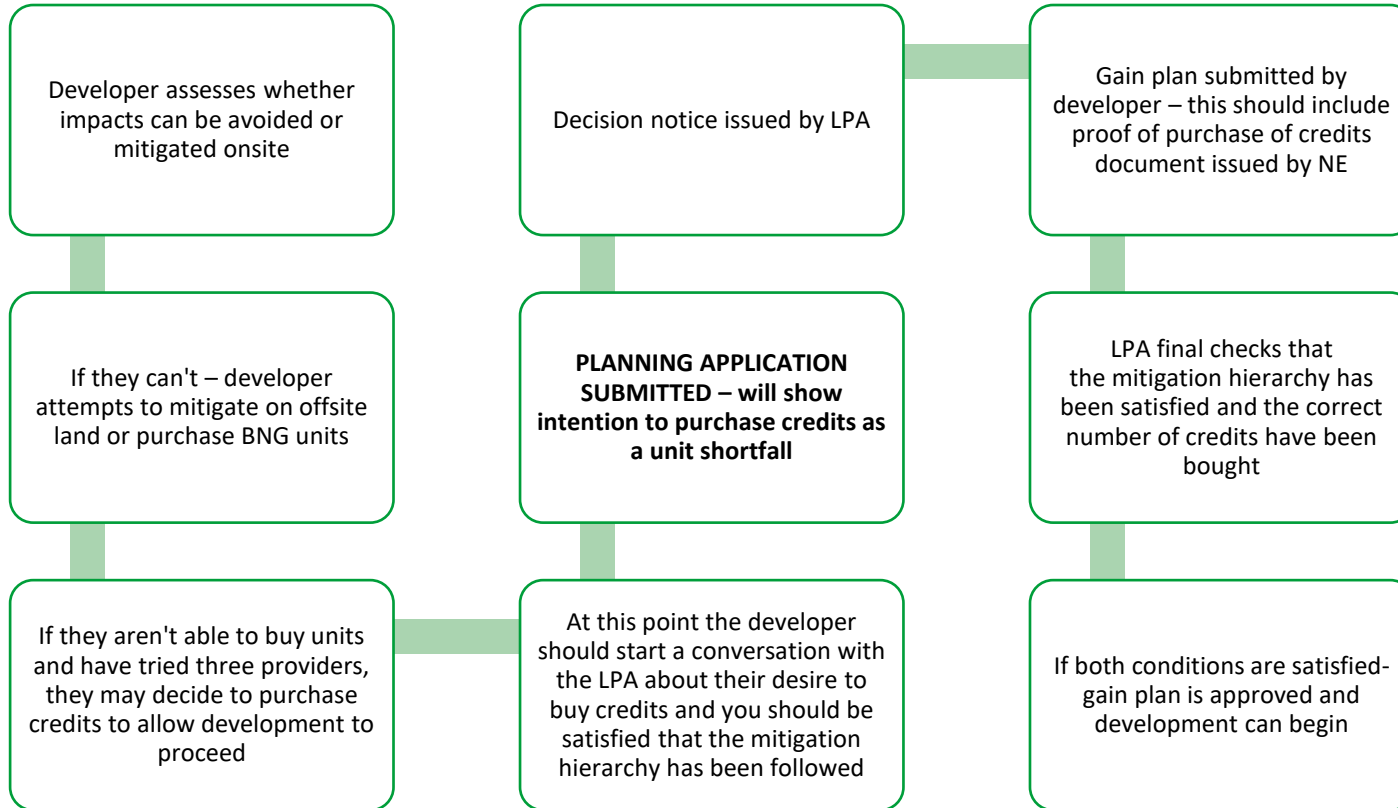
Product (credit tier)	Number of Credits	Tier Price	Total Price
A1	2.4	£42,000.00	
H	1	£44,000.00	
Total (ex VAT)			
VAT amount (20%)			
Total amount paid in full (inc. VAT)			

Unit Shortfall by Tier/Module

Tier	Unit Shortfall
A1	2.4
A2	0.00
A3	0.00
A4	0.00
A5	0.00
H	1
W	0.00

*The spatial risk multiplier has been applied to all unit shortfall values.

The credits journey



Checklist for signing off a credits purchase

What is needed	Where to find it
Mitigation hierarchy is satisfied (i.e developers have tried to prioritise onsite BNG and buying units ahead of credits)	Gain plan submitted by developers and earlier conversations with developers
Correct number of credits have been purchased	Unit shortfall tab of the metric cross-checked with credits proof of purchase document submitted by developers

Statutory Credits for Local Planning Authorities

Any questions?

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