



Biodiversity Credits Scheme Pilot - Formal Call for Habitat Provision Projects

What is the proposed Biodiversity Credits Scheme?

The Environment Bill includes clauses which will make the achievement of a gain in biodiversity mandatory for development subject to the Town and Country Planning Act 1990. Under proposed mandatory¹ biodiversity net gain, when a developer cannot achieve at least 10% biodiversity net gain on their development site following application of the mitigation hierarchy, they will have the option to purchase biodiversity units from an offsite habitat market. If units cannot be sourced from local habitat markets, developers will be able to purchase their required units (as credits) which will be invested in habitat creation.

What is the Biodiversity Credits Scheme Pilot?

Natural England is leading a pilot which will support the design of the credits scheme.

On 13 July, Natural England launched a formal ‘call for habitat provision projects’ to be involved in the pilot. This aspect of the pilot is seeking to establish what is required to get a project ready to receive credit investment. We are looking to fund an initial 5 - 10 projects. At this stage it will not fund habitat creation or enhancement works on the ground.

The scope of this work will involve working with projects to undertake biodiversity net gain calculations, developing management plans and setting out the governance structures for habitat provision under mandatory biodiversity net gain.

¹ Mandatory Biodiversity Net Gain is being proposed in the [Environment Bill](https://www.gov.uk/government/consultations/environment-bill).
www.gov.uk/natural-england

Some projects may progress to form part of a potential pipeline for habitat provision through the final scheme.

How to apply through the Call for Habitat Provision Projects?

The call for habitat provision projects is open from 13 July until 28 August, 2020. During this period interested parties are asked to submit proposals for habitat provision projects. Details on how to apply, including selection criteria, are provided in an accompanying Information Pack, which is available upon [request](#).

Completed applications should be submitted to:

BiodiversityNGDevelopment@naturalengland.org.uk

Project proposals will be assessed against the selection criteria during September and if successful, a selection of projects will be invited to be part of the Biodiversity Credits Scheme Pilot.

This aspect of the pilot will run from October 2020 – February 2021.

Further Information

If you have any questions relating to the application process, please direct your queries to:

BiodiversityNGDevelopment@naturalengland.org.uk

Supporting Guidance



Call for Habitat Provision Projects – application process

The call for habitat provision projects is part of a wider pilot programme of activities. This aspect of the pilot is seeking to establish what is required to get a project ready to receive investment from the credits scheme. At this stage it will not fund habitat creation or enhancement works on the ground.

The scope of this work will involve working with projects to undertake biodiversity net gain calculations, developing management plans and setting out the required governance structures for habitat provision under mandatory biodiversity net gain.

Natural England's Objectives

- **To determine the preliminary activity for projects to become investment ready and support measures that may be required.**
- **To identify projects that can contribute to nature recovery.**
- **To understand the potential for developing a pipeline of projects ready for investment as part of the Statutory Biodiversity Credits Scheme for mandatory biodiversity net gain.**

Information to support completion of the application process:

Section 1 - Background Information

<p>Land included in the project....</p> <p>What if the land to be involved in the project changes?</p> <p>How have you derived the list of habitat categories?</p>	<p>Natural England acknowledges that the number of hectares of land to be included may change. Please provide information as accurately as possible at the point of application.</p> <p>The habitat category types listed are based on the UK Habitat Classification Index used to inform the Biodiversity Metric. Further detailed ecological information can be provided later in the process.</p>
<p>Why do I need to detail other activity on the land?</p>	<p>Biodiversity net gain provision must ensure additionality¹. Natural England is seeking to ensure projects can provide this alongside consideration of other possible funding and land management requirements for the land owner.</p>
<p>Why do I need to provide maps and photographs?</p>	<p>Natural England needs to understand the location of the proposed habitat provision and where the project sits within the wider landscape.</p> <p>Timing limitations for this pilot mean ecological survey work need to be undertaken towards the end of the survey season. Photographs of habitats will help determine baseline condition assessments more accurately.</p> <p><i>Please include maps and photographs as an email attachment to your submission. If the information includes large file sizes please include these as a ZIP file. If you need support please contact the pilot co-ordinator Steph Matthews.</i></p>

¹ 'achieving additional outcomes above and beyond results that would occur anyway' [CIRIA/CIEEM/IEMA Guidance](#)

Section 2 – Supporting Information: Proposed habitat delivery and project objectives

<p>Provide a description of the proposal for habitat provision under this project.</p> <p><i>Natural England recognises that further detailed discussion may change the design and delivery of your proposed project. Natural England is particularly interested in a variety of large scale projects. Information provided will help us choose as wide a selection as possible.</i></p>	<p>In addition to the basic information provided in the previous section, Natural England is looking for information on the following:</p> <ul style="list-style-type: none"> • Does the project provide habitat creation, enhancement or both? • Why is your project suitable for the purposes of biodiversity net gain delivery? • What are the wider objectives of the organisation that this project helps to support?
<p>Does the proposed project have potential links to local strategies/policies for nature recovery/enhancement?</p> <p><i>Delivery of habitat units for biodiversity net gain will be an important contributor to nature recovery and habitat connectivity. Natural England would like to understand the potential links of this project to local strategies and/or policies. We understand not all applicants will engage in local nature strategies to the same degree.</i></p>	<p>Natural England is looking for information on the following:</p> <ul style="list-style-type: none"> • Does the Local Authority area have any of the following strategies in place in their Local Plan or Supporting Documents? <ul style="list-style-type: none"> - Biodiversity net gain policy - Biodiversity/Nature policies - Green Infrastructure Strategy - Any other relevant policy/documents • How could this project help to support those policies/objectives for the local area? • How does the proposed project support improved habitat condition and connectivity in the wider local landscape?

Section 3 – Supporting Information: Engagement with the Biodiversity Credits Scheme

<p>Provide information on why you are seeking funding for the preliminary activities required for your project and how it fits into your longer term plans.</p> <p><i>Information supplied here will provide context that helps us understand your long term plans for the site and any alternative funding sources that you are seeking.</i></p>	<p>Natural England is seeking to understand needs around funding for habitat provision. Information on other funding streams is helpful and projects will not be penalised for considering, or not considering, other funding streams.</p> <ul style="list-style-type: none">• Have you considered other funding options for this project? If no, please explain why? If yes, what were they and why have they not been progressed?• Are there any other dependencies on which you are reliant for progressing this project?• How would you secure and manage this land in the long term?
<p>Would you like to engage in the future design and delivery of the Biodiversity Credits Scheme?</p> <p><i>Projects are not being asked to commit to any formal agreement/arrangement at this stage. The questions seek to establish whether applicants are willing to contribute to the further understanding needed to develop a Biodiversity Credits Scheme.</i></p>	<p>In addition to answering the specific questions in this section there is a space for applicants to provide any further details in relation to these questions if they wish. This is not mandatory but please feel free to share any additional information you think necessary/helpful.</p>

Frequently asked questions



Call for Habitat Provision Projects

What is mandatory biodiversity net gain?

The Environment Bill includes clauses which will make the achievement of a gain in biodiversity (minimum of 10%) mandatory for development subject to the Town and Country Planning Act 1990.

What is a statutory Biodiversity Credits Scheme?

Under proposed mandatory¹ biodiversity net gain, when a developer cannot achieve the biodiversity net gain required on their development site following application of the mitigation hierarchy, they will have the option to purchase biodiversity units from an offsite habitat market. If units cannot be sourced from local habitat markets, developers will be able to purchase their required units (as credits) which will be invested in habitat creation.

What is Natural England's Credits Pilot?

The pilot Natural England is taking forward will include a range of activities to help the design and delivery of a statutory credits scheme from sale of credits through to investment. The call for habitat provision projects is one aspect of the pilot.

Why is Natural England running a call for habitat provision projects?

Natural England is seeking to establish what is required to get a project ready to receive investment from the credits scheme. At this stage it will not fund habitat creation or enhancement works on the ground. Successful projects may form part of a potential pipeline of investment ready projects as part of the statutory credits scheme for mandatory biodiversity net gain.

What size of project are Natural England looking for?

Natural England is looking for a wide range of projects to consider for this element of the pilot. We are particularly interested in large scale projects which have the potential to provide significant and strategic level gains for biodiversity. Our supporting guidance gives more detail on what we are looking for from applicants. Please read this carefully to help determine if you feel your project and its objectives can support those outlined by Natural England.

What activity will be funded and how?

The scope of this work will involve working with projects to undertake biodiversity net gain calculations, developing management plans and setting out the required governance structures for habitat provision under mandatory biodiversity net gain.

A single supplier will provide this service for projects and work closely with the successful applicants. More detail on this can be provided to projects who are invited to become involved.

If biodiversity credits are used to invest in your habitat provision project, how long does the habitat creation or enhancement have to be maintained for?

Clauses in the Environment Bill on biodiversity net gain stipulate that net gain agreements to secure provision must be in place for thirty years.

¹ Biodiversity Mandatory Net Gain is being proposed in the [Environment Bill](#).

Is there a restriction on how many projects can be involved?

Natural England is looking to fund an initial 5-10 projects. We are keen to invite a wide range of projects and establish a mix that can help provide representative input into future design and delivery, and the formation of a pipeline of projects for strategic investment. Assessment of projects will support achieving this within the funding envelope available.

Is there a restriction on how many projects can be considered from each organisation?

No, however we are looking to have a wide range of projects. We would encourage applicants to look at the supporting guidance and only take forward projects they are confident can meet Natural England's objectives.