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BIODIVERSITY NET GAIN & NUTRIENT MITIGATION CALL FOR PROJECTS GUIDANCE



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FIGURE 1 NFDC ADMINISTRATIVE AREA (In body of report)

FIGURE 2 NFDC CALL FOR PROJECTS – ANTICIPATED APPROACH (In body of report)

1. INTRODUCTION

- 1.0.1 This document is intended to assist parties interested in submitting a project proposal or a potential site for consideration, and to fill in the Call for Projects and Site Proposals form. Section 2 describes the process. Sections 3-4 provide contextual information. Section 5 provides commentary to assist site or project promoters to complete the application form.

2. ABOUT THIS CALL FOR PROJECTS AND SITE PROPOSALS

Initial stages

- 2.0.1 This process is an opportunity for agents and landowners to submit land and projects which they believe could be suitable for providing Biodiversity Net Gain (BNG), or that could make a contribution to reducing the discharge of nutrients (phosphates to the River Avon or nitrates to the Solent). Some sites may have potential to deliver both nutrient and BNG benefits.
- 2.0.2 Projects of this type are needed in New Forest District to enable planned housing development to take place, as off-site locations to offset environmental impacts from development that cannot be avoided or mitigated on the development site itself.
- 2.0.3 It is hoped that the call for projects and site proposals will help to identify a range of current or potential projects of varying scales, from those which are well developed seeking a funding mechanism, to expressions of interest from landowners or agents who would be potentially interested in managing their land for this purpose and have ideas to explore further.
- 2.0.4 Following initial evaluation, the Council will contact scheme promoters in or by February 2021 to provide feedback and discuss next steps. High level project evaluation criteria and an indicative timetable are provided in Section 6.

Next steps

- 2.0.5 The call for sites process will be iterative and project promoters are not being asked to commit to any formal arrangement at this early stage. The Council aims to work with interested parties to identify suitable projects in appropriate locations, and to establish workable contractual, payment, management and monitoring arrangements if viable project options are identified.
- 2.0.6 This process will also help to establish a fair 'credit unit' charge: fair to developers for the purchase of BNG or nutrient mitigation credits and providing a fair return to landowners for making land available, implementing and maintaining the project for its agreed duration.
- 2.0.7 Whilst specific details are still to be determined, the following approach to arrangements are envisaged at this stage:
- Projects that the Council and landowners agree to deliver for an agreed cost or value would be included in a programme of projects 'approved' by the Council.
 - Some form of management plan agreement between the Council and the mitigation scheme provider and landowner would be needed. This would be to secure the implementation, management, maintenance and monitoring of the mitigation project and site for the term agreed (minimum period 30 years for BNG, and preferably longer-term for nutrient mitigation sites. NFDC will encourage longer term protection where this is acceptable to the landowner).
 - An appropriate landowner payment arrangement or model would need to be agreed. This might operate through the Council, for example in payment of pre-agreed instalments over the duration of the management period subject to satisfactory on-going management (possibly with an initial implementation payment, for example where capital works are

required). There may be workable alternatives such as direct negotiation between developers and approved scheme providers, or through an independent intermediary.

- A legal agreement (a section 106 or Unilateral obligation) would be needed at planning application stage between the Council, the developer and the mitigation provider to secure the credits required for nutrient offsetting or BNG for the development proposed.

- 2.0.8 As a prospective participant in delivering net gain / nutrient mitigation sites it should be noted that the ownership of your land would remain unaffected and there would be no statutory designations placed on the site. Unless otherwise agreed there would be no access requirements beyond the management plan that would be agreed and subject to monitoring by NFDC. The developer would be purchasing the units of biodiversity gain / nutrient reduction that are sold. The developer is not buying the biodiversity itself, or the land that it or the nutrient mitigation stands on or any rights to enter the land.

3. BACKGROUND

Biodiversity Net Gain (BNG)

- 3.0.1 The Government has announced its intention to introduce the achievement of a mandatory minimum 10% BNG for development subject to the Town and Country Planning Act 1990. This is set out in the Environment Bill¹. The key parts of the Environment Bill that relate to the delivery of BNG are Part 6 'Nature and Biodiversity', and the supporting Schedule 14, notably sections 9(3), 13(2), 14(2) and 15.
- 3.0.2 On 6th July 2020 New Forest District Council adopted the Local Plan 2016-2026 Part One: Planning Strategy. Policy STR1: Achieving Sustainable Development includes achieving an environmental net gain, encompassing the emerging national policy requirement to achieve a 10% BNG. The Council therefore introduced a requirement in its planning area for a minimum 10% BNG for all 'major' planning permissions granted on or after 7th July 2020.
- 3.0.3 Reflecting the mitigation hierarchy in national policy, development projects should seek firstly to avoid adverse impacts to existing biodiversity, then to minimise them by appropriate on-site mitigation to enhance or augment existing biodiversity value on-site.
- 3.0.4 In some circumstances, achievement of 10% BNG may not be achievable on a development site itself, especially on smaller sites and in locations within settlements. After all reasonable avoidance and mitigation measures have been taken on-site, residual BNG requirements may need to be provided in a suitable off-site location. In accordance with the proximity principle, it would be preferable if the offsite locations for BNG offsetting were in the same general area as the development.
- 3.0.5 To support this approach, the Council is undertaking a 'call for projects' within New Forest District that will be able to deliver biodiversity net gain that is appropriate in the local environmental and planned development context. The minimum period that the Council will consider for a BNG project is 30 years, as required in Schedule 14, Section 9(3) of the Environment Bill.
- 3.0.6 Biodiversity net-gain sites would deliver conservation activities designed to provide biodiversity benefits relative to their existing land use, to both compensate for any losses elsewhere and provide the required level of net gain. A portfolio of BNG offsetting sites would thereby assist the district and developers to accommodate planned development, whilst securing the overall

¹ Parliament UK Environment Bill 2019-21. Online. Available at: <https://services.parliament.uk/Bills/2019-21/environment.html>. Accessed 30/10/2020

enhancement of biodiversity value by a minimum of 10%. For developers, off-site BNG may be provided 'in kind' as a project funded directly by the developer, or via the purchase of biodiversity units which will contribute towards the delivery of an approved BNG project.

Nutrient management

- 3.0.7 Natural England has advised the Council that housing and similar development is likely to have a harmful effect on the River Avon and the Solent, areas internationally designated and protected for their nature conservation value. Their best available evidence is that large parts of the designated sites are in unfavourable condition due to high levels of nutrients which reduce the oxygen content in water. This makes it difficult for aquatic insects or fish to survive, reducing food sources for protected species such as water birds and salmon which some of the international nature conservation sites are designated to protect.
- 3.0.8 Phosphates are the problem nutrient in the Hampshire Avon. Nitrates (and related compounds such as ammonia) are the problem nutrient in the Solent area. The most significant sources of both nutrients are from agriculture (fertilisers and animal waste), and sewerage treatment works.
- 3.0.9 Natural England advice is that new development must achieve 'nutrient neutral development' status to avoid making the situation worse. New Forest District Local Plan Policy [ENV1 'Mitigating the impacts of development on International Nature Conservation Sites'](#) therefore requires that:

"...for residential developments and the provision of overnight visitor accommodation draining or discharging wastewater to the River Avon in relation to phosphorus neutrality or to the Solent and Southampton Water in relation to nitrogen neutrality, a financial contribution or other appropriate mechanisms to achieve nutrient-neutral development."

- 3.0.10 In practical terms, it is almost impossible for development to achieve nutrient neutrality by mitigation on the development site itself. Greater efficiency in waste water treatment may deliver some improvements, but only in the longer term. There is therefore an immediate need to find other ways to reduce the levels of nutrients currently entering protected parts of the water environment, to offset the additional load from development, thus enabling that development to take place.

4. WHAT AREA DOES THE CALL FOR PROJECTS COVER?

- 4.0.1 The Council is, in preference, seeking projects for land within the planning area of New Forest District Council planning area as shown in grey in Figure 1 overleaf. Consideration will also be given to projects elsewhere within the NFDC administrative area, including on land within the New Forest National Park (shown in yellow on figure 1).
- 4.0.2 Priority locations for **BNG projects** will be devised as NFDC prepare their Local Nature Recovery Strategy (LNRS) and associated required habitat mapping and to a degree will link to strategic development sites across the District. The Council particularly encourages proposals that have the potential to buffer or expand existing habitats, link existing habitats together or provide stepping-stones between existing habitats. For example, connecting woodland blocks, buffering ancient woodland and species rich grassland creation. Prioritising net gain projects in

this way is expected to deliver the greatest gains for biodiversity, by delivering practical improvements to the existing ecological network.

- 4.0.3 The area of search for **nutrient offsetting sites and projects** is more specific and is described in more detail below.
- 4.0.4 The Avon Phosphate mitigation Area of Search is on land that drains to the River Avon or to one of its tributaries, provided that site run-off joins the Avon upstream of the Ringwood sewerage treatment works (STW) on the southern edge of Ringwood Town.

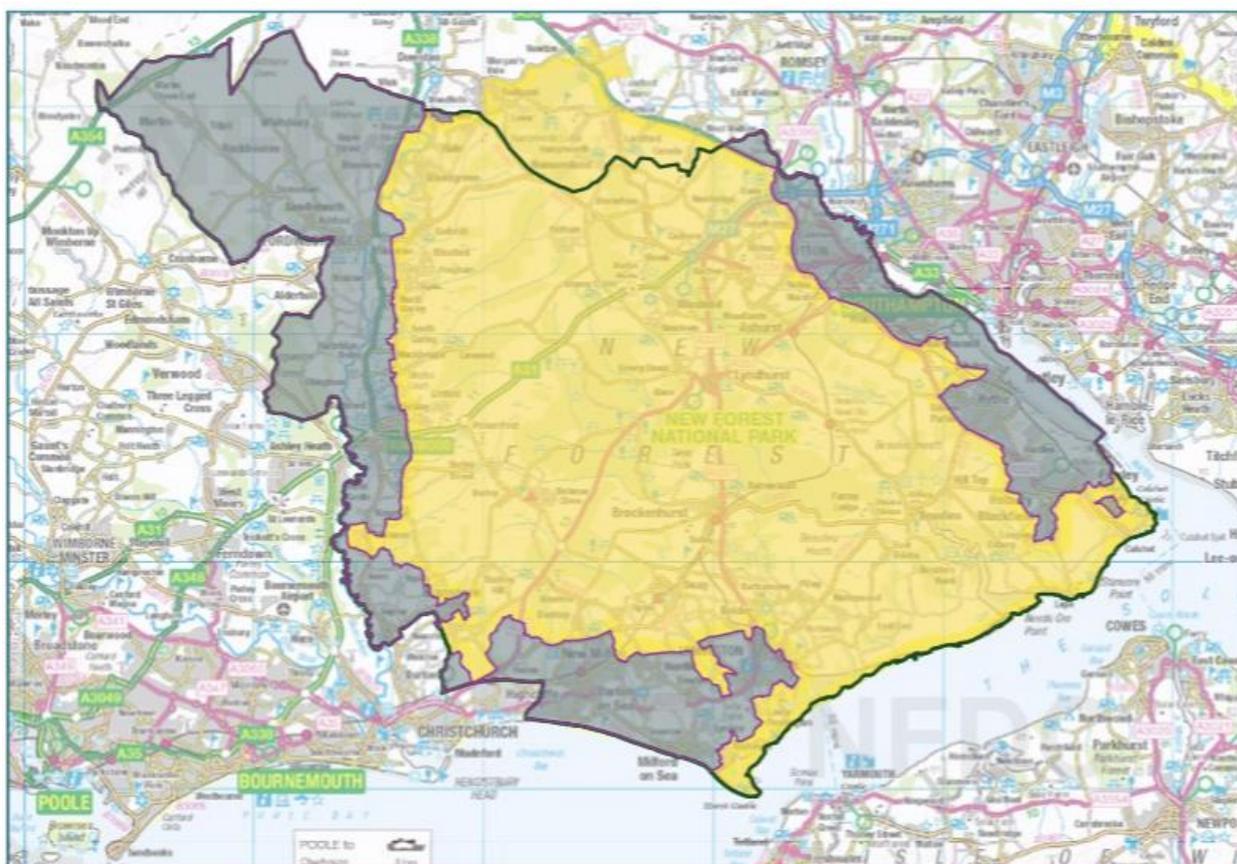


Figure 1: NFDC Administrative Area (In Grey)

- 4.0.5 The Solent Nitrate mitigation Area of Search is in two parts:
- The Waterside area, covering development in the eastern areas of the district draining to Southampton Water as far south as Calshot. This area is serviced by Slowhill Copse and Ashlett Creek STWs.
 - The South Coast area, which also includes most of the New Forest National Park. This area is serviced by Pennington STW and by a number of smaller village STWs that discharge to streams that join the Solent on the South Coast between New Milton and the Beaulieu River.

5. SUBMISSION REQUIREMENTS

5.0.1 Table 1 below details the submission details that are sought where available and presents the rationale for requesting this information. The submission form comprises two parts as detailed below:

- **Part 1:** ‘Expression of Interest, Site and Proposal Details’. This information is required for both initial site proposals and for more fully developed projects; and
- **Part 2:** ‘Project Details’ is optional for more fully developed proposals. Completion is encouraged where supporting technical details are available.

Table 2: Submission Requirements

Part, Section and Requirements	Details	Why are we asking for this?
Part 1 Section 2.2 Site details Location map and site plan	<ul style="list-style-type: none"> • Site location plan (National Grid referenced) within its landscape context to an appropriate scale • Map showing the site boundary, and the land within it that is potentially available (if this is less than the whole site), within the proposed site area. 	<ul style="list-style-type: none"> • To help us identify potential projects closer to areas of development pressure, in accordance with proximity principle • To use other mapped data sources as part of our site or project evaluation
Part 1 Section 2.3 Site ownership	<ul style="list-style-type: none"> • Signed statement of landowner agreement 	<ul style="list-style-type: none"> • To ensure that all relevant parties are aware of and support the submission of the site or project for evaluation, before that evaluation is carried out • Land ownership – identify any potential complexity with multiple ownership
Part 1 Section 3 Current and proposed site use and land management	<ul style="list-style-type: none"> • Current site use(s) e.g. land cover, type of crop or livestock if in agricultural use, and the approximate area (ha.) in each use – preferably on a site map or plan • Current farming, conservation, recreation or other land management practices on the site 	<ul style="list-style-type: none"> • To estimate current ecological value and nutrient levels and what opportunities could be available for enhancement while aligning with existing land management practices • BNG provision must demonstrate additionality – NFDC are seeking to ensure projects can provide this

Part, Section and Requirements	Details	Why are we asking for this?
	<ul style="list-style-type: none"> Any existing stewardship or land management grants currently received or applied for Current compliance with relevant regulations 	<p>alongside consideration of other possible funding and land management requirements for the landowner.</p> <ul style="list-style-type: none"> To ensure that land is being managed in line with existing regulations. Compliance is the expected baseline; mitigation projects are not intended to bring otherwise non-compliant operations to a position of compliance.
Part 1 Section 3.3 Historic site use	<ul style="list-style-type: none"> Details of historic site use/management practises (if known) 	<ul style="list-style-type: none"> Depending on the nature of habitat works identify any potential for constraints e.g. previous contaminative land uses or suitability of soil conditions for intended habitat creation.
Part 1 Section 4 Ecological and land use Baseline	<ul style="list-style-type: none"> Details of current land use or land cover, and what land use is proposed in your project Details of habitats present on-site – photos of key habitats to be provided with locations shown on an annotated plan. Please indicate if known, if the site currently supports any protected or notable species. If any reports or data is available, please include this in the submission. See Section 8 in Part 2 of the form if you can provide biodiversity or nutrient data or calculations. 	<ul style="list-style-type: none"> NFDC needs to understand the location of the proposed habitat provision and context of the project in relation to the wider landscape. Photographs of habitats will help determine the preliminary baseline condition assessments more accurately. Projects of varying scales and types are welcomed. Projects which can achieve the greatest gains (in combination with other attributes) are favoured. Sites of existing high ecological value are unlikely to be able to deliver the gains required. The presence of protected or notable species needs to be considered when exploring potential changes in land use or management. Opportunities to create linkages with other areas of valuable habitat.
Part 1 Section 5 Potential constraints	<ul style="list-style-type: none"> Any known constraints that may affect use of the site for biodiversity offsetting and/or nutrient mitigation e.g. public access, sporting rights. 	<ul style="list-style-type: none"> To assist in evaluating projects Existing site use has a bearing on what type of project may be appropriate and will require consideration

Part, Section and Requirements	Details	Why are we asking for this?
Part 1 Section 6 Site Survey	<ul style="list-style-type: none"> Confirm that it is acceptable for Council officers or representatives to visit site by arrangement Provide contact details to arrange access 	<ul style="list-style-type: none"> Council officers or their representatives will need to visit the sites to validate information provided and gain a more detailed understanding of the proposals.
Part 1 Section 7 Land availability and Project Costing	<ul style="list-style-type: none"> Indicate time frame for land availability / project commencement/implementation allowing for any existing leases or other commitments Indicate initial basis and duration land could be made available for Indicative project cost in year 1 and years 2-30 Details of any other dependencies for progressing the project 	<ul style="list-style-type: none"> To establish a pipeline of potential projects meeting initial and anticipated future demand Costing to assist in assessing projects against predicted gains and informing the biodiversity/nutrient mitigation unit cost Project value for money will be an important consideration to help support development viability and other planning objectives
Part 2 Section 8 Potential site use – project details	<ul style="list-style-type: none"> Suggested or proposed habitat enhancement and/or creation For BNG, gains expected (in biodiversity units if known – if possible please provide calculations using Defra Biodiversity Metric available here). For nutrients, baseline level of nutrient loss from the site and reduction in nutrient loss to be delivered by the proposed projects. For nitrates in the Solent to be calculated using the DEFRA June 2020 (v5) methodology Details of land use change Outline proposed management required to deliver anticipated gains Outline monitoring arrangements proposed 	<ul style="list-style-type: none"> Understand the target habitat and associated biodiversity benefits To establish the potential deliverability and complexity of the project To establish the scale of biodiversity net gain (in biodiversity units) or nutrient mitigation (in kg) which is deliverable
Part 2 Section 9 Project Costing	<ul style="list-style-type: none"> Identify the status of the project costing e.g. a working estimate or a committed fully evaluated figure. 	<ul style="list-style-type: none"> To establish the relative cost and value for money of BNG credits that the project may deliver whilst also adequately compensating landowners.

Part, Section and Requirements	Details	Why are we asking for this?
	<ul style="list-style-type: none"> • Narrative for how the costing was arrived at including the process followed, the type of expenditure and income considered for both the current use and the project proposal. For example, have the following been considered: <ul style="list-style-type: none"> ○ Is allowance made for management, maintenance and monitoring of the net gain site for the long-term (minimum 30 years)?; ○ Does the project costing adequately reflect the uncertainties of habitat creation and long-term management – is contingency incorporated? ○ Have you checked implications for your business or personal circumstances, e.g. in terms of tax? ○ Would setting the land up as a BNG or nutrient mitigation site affect any funding, grants or subsidies you already receive? ○ Might it offer additional revenue opportunities e.g. woodland grant? ○ Have you factored in inflation? • A statement of what the costing estimate or offer price does and does not include. • If the proposal has options, a description and pricing of them. • Attach any valuations or other evidence you consider appropriate, indicating whether it should be treated as confidential. • An outline of any terms or conditions the project promoter would require to be included in any contractual arrangement. A draft contract is not required but can be provided if you wish to. 	<ul style="list-style-type: none"> • To ensure that projects proposals are well thought out, transparent and have considered all pertinent factors which could influence the successful delivery of the project(s)

6. PROJECT SELECTION

- 6.0.1 Figure 2 below provides the current envisaged approach for the request, review and implementation of biodiversity net gain / nutrient mitigation projects. The provisional timescales below will be reviewed, updated and communicated after the closing date. Additional timeframes for project refinement and development will also be provided following review of the project submissions received.

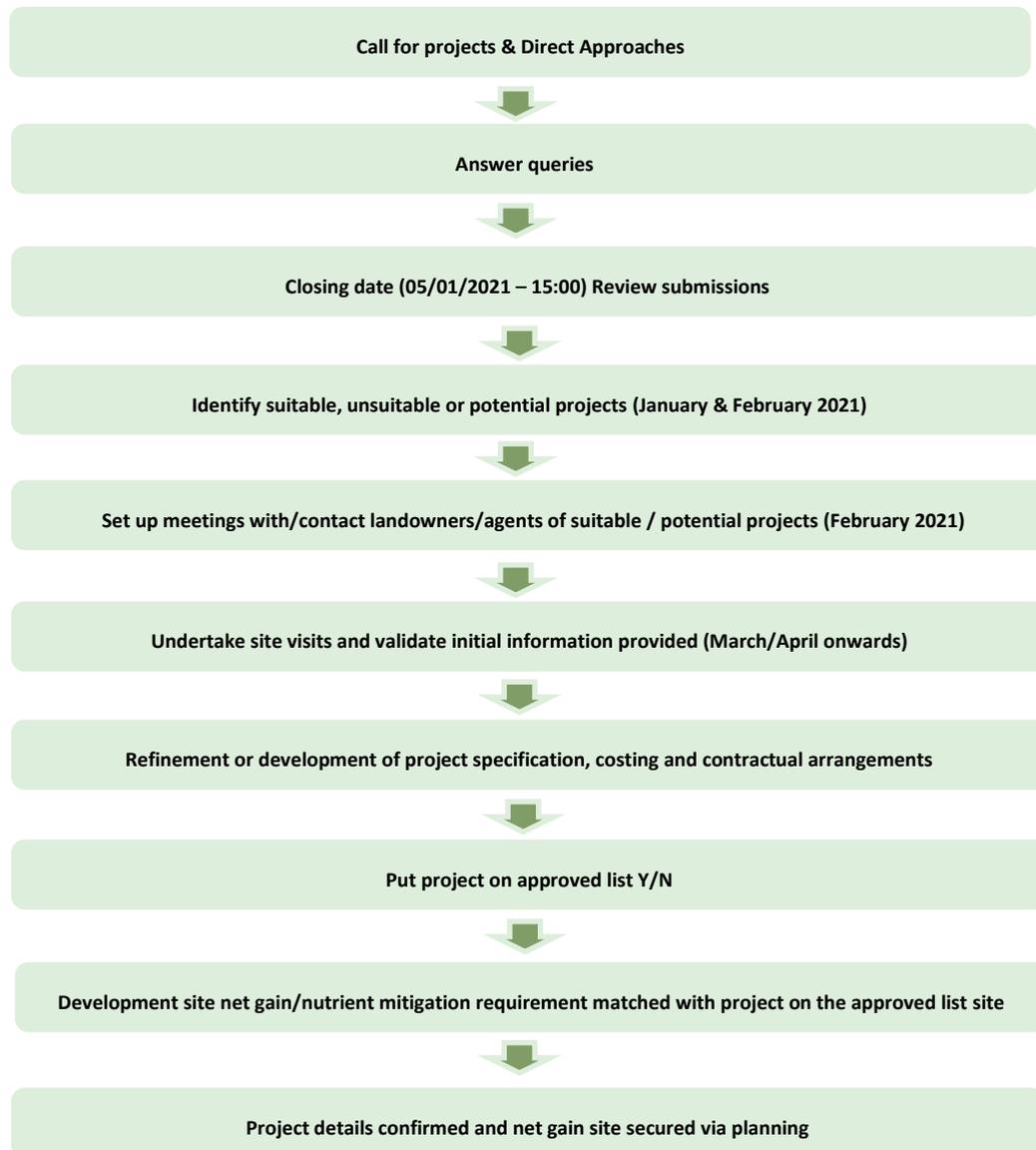


Figure 2: NFDC Call for Projects – Anticipated Approach

- 6.0.2 It is envisaged that a pipeline of ‘approved list’ projects would be created.
- 6.0.3 Selection of a given **BNG project** will depend on a number of factors relating to a specific development’s requirements including:
- Development location – proximity principle or identified within the forthcoming Local Nature Recovery Strategy;
 - If sufficient biodiversity units are deliverable;

- Ensuring any like for like habitat requirements are met, for example where high distinctiveness habitats are being lost;
- If additionality has been demonstrated / is capable of being demonstrated; and
- Whether the project proposals e.g. habitat creation / restoration is compatible with the habitat losses expected e.g. grassland loss and grassland creation.

6.0.4 NFDC will maintain a register a biodiversity net gain sites that have been accepted and used to provide offsets.

6.0.5 Similarly, evaluation and selection of **nutrient mitigation sites/projects** will also depend on a number of factors including:

- Development location and the proximity principle:
 - For Solent nitrate offsetting the proximity principle can be met by siting mitigation projects in the same fluvial catchment as the development it offsets. Any location within the Nitrate Areas of Search described in 4.0.5 would meet this basic test.
 - For Avon phosphate offsetting the proximity principle can be met by siting mitigation projects upstream of planned development in Fordingbridge and Ringwood, on the Avon or one of its feeder streams.
 - Locations within the New Forest District plan area (shown in grey on Figure 1) are preferred but locations within the New Forest National Park will also be considered.
- Current land use and nutrient saving potential and cost effectiveness: Whether the proposed project generates a sufficient nutrient saving compared to the current use baseline position, at a market competitive cost.
 - To offset 100 average dwellings typically requires a saving of around 90-150kg of nitrates per annum in the NFDC Plan area, or around 9-15 kg of phosphates per annum.
 - In practical terms the cessation or de-intensification of more intensive agricultural uses is more likely to generate a significant saving than the cessation of grazing.
 - Tree-planting can increase nutrient capture and bring in additional carbon capture benefits, as well as potential grant funding and forestry revenue.
 - Wetlands can be highly land and cost efficient in appropriate locations.
- Location in relation to nutrient pathways: how quickly nutrients leach from the proposed site, considering its geology and hydrology:
 - For both nutrients free-draining sites are good candidates. Nutrient pathways to watercourses are faster, so nutrient savings can be achieved immediately. This is useful for development likely to take place in the near future as well as in the longer term.
 - Sites on chalk geology without any water course in close proximity are generally less suitable, as there may be a significant time lag (years) before offsetting benefits are realised - especially if the water table is more the 5 meters below ground. They may still provide useful mitigation in the medium to longer term.
 - For Solent nitrate offsetting Natural England's preference is that mitigation sites are prioritised within the lower fluvial catchment and near water courses that drain into the Solent estuaries and harbours.
- For Solent nitrate mitigation [Natural England's published advice](#) on nitrates in the Solent provides further guidance on suitable mitigation site locations ('Spatial Principles subsection from para 5.26)
- Wetlands locations:
 - Farm wetlands that intercept surface water flows from areas with high levels of fertiliser application or slurry run off can generate both phosphate and nitrate savings. For this type of project to be funded the farm should already be operating in compliance with SSAFO and farming water regulations.

- Wetlands that receive water from the Avon or its tributaries and naturally filter out phosphates are an option endorsed by Natural England. The most suitable sites would be near the watercourse within its flood plain, but not prone to regular flooding.

7. SUBMISSIONS

- 7.0.1 The deadline for submissions is 05/01/2021. Submissions can be made by post or electronically (preferred), details are provided below:

POSTAL ADDRESS: Planning, Appletree Court, Beaulieu Rd, Lyndhurst SO43 7PA

ELECTRONICALLY: policyandplans@nfdc.gov.uk