

Introduction

This planning guidance seeks to provide further clarification to Core Strategy Policy CS13. It has been prepared to assist anyone who is considering undertaking a development proposal in understanding how biodiversity loss can be avoided or mitigated on-site and where this is not possible compensated for offsite. As such it is a material consideration in decision making.

Securing biodiversity net gain on-site contributes towards the overall sustainability of development proposals. It should be considered from the start of the development process – not as a token addition. Whilst the scale of net gain from individual minor proposal may appear slight their cumulative contribution has the potential to be significant. The financial implications of securing net gain on-site does not have to place an unnecessary burden upon development proposals, particularly if biodiversity is considered from the start of the process. Indeed, the inclusion of biodiversity within proposals can add significant value to development, specifically in terms of enhancing visual character and appearance.

Background

Throughout the industrial age and particularly during the 20th century there have significant declines in biodiversity not just in the UK but worldwide to the extent that such loss is widely recognised as both a global and national crisis¹. In 2019, the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) Global Assessment Report described nature's dangerous decline as unprecedented and species extinction rates as accelerating. The report calls for transformative changes to restore and protect nature as the current global response is insufficient.

The UK hosted the 26th UN Climate Change Conference of the Parties (COP26) in Glasgow in November 2021. This summit brought parties together to accelerate action towards the goals of the Paris Agreement and the UN Framework Convention on Climate Change. The summit highlighted that nature is an essential part of the drive to tackle climate change through nature-based solutions such as sustainable farming and reducing deforestation.

The Environment Act also received Royal assent in November 2021. The Act sets clear statutory targets for the recovery of the natural world in four priority areas: air quality, biodiversity, water and waste, and includes a target to reverse the decline in species abundance by the end of 2030. It sets out the legal framework for Biodiversity Net Gain from most forms of development with the expectation that becomes mandatory by November 2023.

¹ HM Government (2018) A Green Future: Our 25 Year Plan to Improve the Environment

In June 2019, having considered the findings of the International Panel on Climate Change (IPCC) report published in October 2018, Charnwood Borough Council made a commitment to achieve carbon neutrality from its own operations by 2030. It is also committed to working with residents, businesses and other public bodies across the Borough and region to deliver this ambitious goal through all relevant technologies, strategies and plans. Climate change and biodiversity are interconnected. Biodiversity is affected by climate change and it in turn makes an important contribution to both mitigation and adaptation. Consequently, conserving and sustainably managing biodiversity is fundamental to the Borough Council's role in addressing climate change.

The commitment to carbon neutrality is reflected in the Borough Council's Corporate Strategy (2020-24) in its objective 'caring for the environment and looking after it for future generations' as a corporate priority. This objective provides the lead for other strategies and policies including the draft Local Plan and the Climate Change Strategy 2018-2030 which in turn are supported by the Borough Council's Environment Policy (February 2021) and Carbon Neutral Plan (September 2021).

Ecological Context

Traditional models of wildlife conservation sought to identify and protect the most valuable ecological resources in nature reserves. However, designated sites and protected species represent a small and often disparate component of wildlife as a whole. Protected species typically rely on a range of habitats and species that are not protected, and species that are confined to isolated reserves by virtue of their habitat requirements are at risk of local extinction.

In recent years it has become recognised that reliance on individual site designation and legal protection alone is not adequate to protect the most significant components of our native wildlife or the resource as a whole. Moreover, there is increasing concern that even species that were once widespread and common, like song thrush and house sparrow, have experienced rapid and alarming population decline. These circumstances help to explain the move in national policy towards landscape based ecological conservation which recognises the importance of species movement to species survival, particularly as habitats change in response to global warming.

When wildlife is understood as occupying and moving through the landscape, rather than just being confined to reserves, even habitats typically considered as being of "low value" can be seen as having a role to play. Many protected species are found within, and in some cases depend upon, intensively farmed land; and suburban gardens have been demonstrated to support a surprising range of wildlife to the extent that some urban areas have been shown to be more biodiverse than open countryside.

The Borough Council's existing policy approach CS13 already allows for the use of Biodiversity Impact Assessment Calculators in order to measure the ecological impact of development proposals. Once the scale of impact has been calculated, appropriate

mitigation can be taken – either on-site, or as a last resort through compensation. There are currently a variety of recognised calculator tools that developers are encouraged to use when considering this matter.

Policy Context

The Natural Environment and Rural Communities Act 2006, section 40 (NERC s40) requires all public bodies to have regard to biodiversity conservation when carrying out their functions. This includes the conservation of habitats and species defined under Section 41 of the NERC Act. Some habitats and species are protected under the Habitats Directive through the Conservation of Habitats and Species Regulations 2010 in England; the Birds Directive, through the Conservation of Habitats and Species Regulations 2010, and the Wildlife and Countryside Act 1981 (as amended). The Leicester, Leicestershire and Rutland Biodiversity Action Plan² is also a material consideration when assessing the impact of development on biodiversity.

The Environment Act (2021) outlines five Environmental Principles:

1. Integration;
2. prevention;
3. rectification at source;
4. polluter pays; and
5. precautionary

These principles need to be considered when seeking to increase the opportunities for nature recovery through plan-making. The Act introduces:

- Local Nature Recovery Strategies
- Biodiversity Net Gain
- Strengthened biodiversity duty on public authorities
- Strategic protected site and species strategies
- Conservation covenants
- New tree felling consultation requirements.

This policy guidance has been written at in a time of significant change in national policy and legislation around biodiversity. The Act will need to be supported by changes to a range of statutory instruments and regulations, which will take time to bring into law. The introduction of mandatory net gain, for example, isn't likely to apply in England until autumn 2023 once consultation on the statutory instruments and regulations is complete and the Town & Country Planning Act (TCPA) is amended. This policy has therefore been written as a bridge to provide advice on how NPPF and adopted Charnwood Local Plan Core Strategy policy CS13 can be implemented and has been designed to be compatible with both the current and expected policy and legislative environments.

² <https://www.lrwt.org.uk/about-us/caring-wild-places/biodiversity-action-plan>

The National Planning Policy Framework (NPPF) sets out planning policies which the Borough Council as local planning authority should have regard to on biodiversity matters. The current policy framework seeks no net loss in biodiversity from new development and the Environment Act will make 10% biodiversity net gain mandatory for all new development with no broad exemptions beyond those exemptions already proposed for permitted development and householder applications such as extensions. It is understood from recent government consultation³ that any exemption from mandatory biodiversity net gain would not prevent planning authorities requiring biodiversity gains to be delivered by exempted developments in line with local or nationally set planning policy.

Ahead of this, the Draft Charnwood Local Plan also proposes to formally introduce the use of biodiversity impact assessment calculators (BIA) and require 10% net gain from new development. If found sound, this approach is likely to be adopted ahead of the national changes, potentially in late 2022.

The adopted Charnwood Local Plan Core Strategy Policy CS13 states that developments that secure the protection of biodiversity and geodiversity, in addition to those that secure the enhancement, restoration and/or re-create biodiversity will be supported. This is an adopted policy approach that the Borough Council uses to avoid biodiversity net loss and secure biodiversity net gain where possible. The policy only allows for new development that results in the loss of ecological or geological features in exceptional circumstances. Namely, where the benefit of development clearly outweighs the impact. In such circumstances, mitigation will be required or, as a last resort, compensation which results in replacement provision that is of equal or greater value and potential than that which is lost.

The NPPF sets out how development proposals should be considered by local planning authorities. The NPPF currently states under Paragraph 180 (a) that *"if significant harm to biodiversity resulting from a development cannot be avoided (through locating on an alternative site with less harmful impacts), adequately mitigated, or, as a last resort, compensated for, then planning permission should be refused"*

Charnwood Local Plan Core Strategy Policy CS13 states that developments that protect biodiversity and geodiversity and those that enhance, restore or re-create biodiversity will be supported. It is important to highlight that Core Strategy Policy CS13 only supports development that results in the loss of ecological or geological features in exceptional circumstances where the benefit of development clearly outweighs the impact. Adequate mitigation will be required or, as a last resort, compensation which results in replacement provision that is of equal or greater value and potential than that which is lost.

³ <https://consult.defra.gov.uk/defra-net-gain-consultation-team/consultation-on-biodiversity-net-gain-regulations/>

It is important to understand what “significant” means in terms of harm to biodiversity. Both BS42020: 2013 Biodiversity – code of Practice for Planning and Development and the Chartered Institute of Ecology and Environmental Management Guidelines for Ecological Impact Assessment in the UK and Ireland (CIEEM guidelines 2018⁴) identify context as important to the understanding of what is ‘significant’. For example, an effect that is significant at a local level might not be at a national or international level.

For small developments with low to moderate value habitats, harm to biodiversity is likely to be significant only at a site or local level. In deciding whether this scale of loss should be a matter of concern when making planning decisions, the following should be borne in mind:

- NPPF Paragraph 185 states that ‘Planning policies and decisions should also ensure that new development is appropriate for its location taking into account the likely effects (including cumulative effects) of pollution on health, living conditions and the natural environment.

Consistency in approach in planning decisions is important although each application must be considered on its individual merits.

Charnwood Biodiversity Profile

The Borough of Charnwood, although dominated by agricultural and urban land uses has a varied landscape which includes relatively well-wooded areas with some upland characteristics, river valleys and agricultural land over rolling hills. The largest concentrations of built development are associated with the urban areas of Loughborough, Shepshed and Leicester and located along the Soar and Wreake Valleys with other villages and settlements scattered across the Borough.

Notwithstanding localised changes resulting from development and changes in agricultural practice this broad character is considered to be unchanged since the last borough wide habitat assessment published in 2012 and no loss or degradation from development of statutory designations, including SSSIs, has been recorded.

The 2012 Habitat Study represents the most recent ecological assessment of the entire Borough and therefore provides the most comprehensive account of the Borough’s natural character and a baseline against which to evaluate habitat change at a borough wide scale. There has, in addition been significant work undertaken in 2018 and 2019 to inform the preparation of the new Charnwood Local Plan which is also informative. The 2012 Boroughwide Phase 1 Habitat Survey and all other ecological evidence prepared by Charnwood Borough Council is available to view here: www.charnwood.gov.uk/habitat_and_species_assessments.

⁴ <https://cieem.net/wp-content/uploads/2019/02/Combined-EcIA-guidelines-2018-compressed.pdf>

The Borough of Charnwood includes parts of five National Character Areas, which are also recognised as distinct areas in the Borough of Charnwood Landscape Character Assessment:

- Trent Valley Washlands (profile number 69)
- Melbourne Parklands (profile number 70)
- Charnwood (profile number 73)
- Leicestershire and Nottinghamshire Wolds (profile number 74)
- High Leicestershire (profile number 93)

The majority of the western half of the Borough falls within the Charnwood National Character Area which lies within the National Forest and extends west and north into two neighbouring districts, Hinckley & Bosworth and North West Leicestershire. The area, including that within the Borough of Charnwood, is notable for its concentration of ancient woodlands and mature trees. Relative to the rest of the county it has a high proportion of woodland cover. The underlying Precambrian geology has given rise to the distinct area of land characterised by exposures of rugged, rocky outcrops and heathland. This is a relatively rare habitat type both within the county and the rest of the borough. Heathland and associated habitats such as acid grassland are largely concentrated in designated sites and parks, though smaller isolated areas can also be found on private land.

The River Soar with its associated floodplain forms a central corridor that runs from north to south through the Borough and forms part of the catchment of the River Trent. It has the greatest concentration of flood plain wetland in Leicestershire and is designated as a Local Wildlife Site; as are three significant tributaries, the River Wreake, Rothley Brook and Black Brook. Collectively they support a range of wetland and riparian habitats and have been identified as strategic wildlife corridors. The River Soar connects a number of important sites for wildlife conservation including Watermead Park on the northern edge of Leicester, three Wildlife Trust Reserves and two SSSIs to the north east of Loughborough (Loughborough Big Meadow and Cotes Grassland). The Soar Valley is an important transport corridor and also has the highest concentration of urban development in the Borough. There is a risk that further development in and around the River Soar could result in its ecological isolation.

The Leicestershire Wolds lie to the east of the Soar Valley and are characterised by arable and pastoral land uses over rolling hills with small streams along the valley bottoms. This is a relatively undeveloped part of the Borough but is also less ecologically distinctive than either the River Soar and tributaries or the Charnwood Forest areas. Except for a cluster of sites around the village of Wymeswold there are very few Local Wildlife Sites (LWS) in the area and only one Site of Special Scientific Interest (SSSI), Twenty Acre Piece, that has been assessed as being in “unfavourable declining” condition. Woodland cover is low although there is a strong network of native hedgerows and whilst the level of botanical interest in remaining grasslands is

generally low there are several areas where ridge and furrow features can still be found indicating some potential for grassland restoration.

The High Leicestershire National Character Area rises eastwards from the village of Queniborough to South Croxton and extends southwards to include the villages of Barkby and Beeby. The area is transected by both the Queniborough Brook and Barkby Brook and in ecological terms is quite similar to the Wolds, being dominated by arable land and with very little woodland cover, other than hedgerows.

The north western corner of the Borough falls with the Melbourne Parklands National Character Area and is identified in the Charnwood Landscape Character Assessment as the Langley Lowlands after Langley Priory which is located near the village of Diseworth in the neighbouring district of North West Leicestershire. The area contains a number of Local Wildlife Sites, including the Black Brook which flows to the River Soar and is considered to be an important wildlife corridor. The Grace Dieu Brook that forms the northern boundary of the Borough may also be of sufficient quality to qualify as a Local Wildlife Site. Otherwise, this area is also ecologically limited, being dominated by large arable fields and transected by the M1 motorway.

In addition to the overview of the Borough, the Natural Character Area descriptions include statements of environmental opportunity. These help to identify opportunities for nature recovery not just within Charnwood, but also within neighbouring authorities which will help to facilitate a co-operative approach to nature recovery across the wider region. Similarly, the Leicestershire and Rutland Biodiversity Plan provides a framework by which to understand nature recovery at the county level, but also specifically in the context of Charnwood. Similarly, a range of other strategies, initiatives and detailed biological data help frame an understanding understand long standing nature conservation priorities in both Charnwood and Leicestershire. These will in turn help shape the priorities of the Local Nature Recovery Strategy.

Promoting Biodiversity Through Development

Introduction

Most forms of development can lead to ecological harm either in the form of adverse impacts to protected species, habitat loss or both. In the context of the international calls for transformation, national and local policy and guidance has evolved to try to ensure that development avoids further harm to biodiversity and instead results in ecological enhancement. Charnwood Core Strategy Policy CS13 require development proposals to provide Ecological Assessments of the impacts on biodiversity in circumstances where a risk of adverse impact⁵ has been identified.

This section provides guidance on undertaking Ecological Assessments and sets out the Borough Council's approach to assessing the need for ecological mitigation and, where necessary, compensation for habitat loss. It is an approach informed by the 10 good practice principles for biodiversity net gain (CIEEM 2016), listed below. These are equally important and appropriate for both policy environments which seek to avoid net loss as well as where net gain is mandatory:

- Apply the mitigation hierarchy (avoid, mitigate & compensate)
- Avoid losing biodiversity that cannot be offset by gains elsewhere
- Be inclusive and equitable
- Address risks
- Make a measurable (net gain) contribution
- Achieve the best outcome for biodiversity
- Be additional
- Create a net gain legacy
- Optimise sustainability
- Be transparent

This guidance sets out the Planning Authority's approach to:

- using Biodiversity Impact Assessment Calculators,
- securing appropriate biodiversity mitigation 'on site' as an integral part of new development,
- in exceptional circumstances securing biodiversity mitigation offsite in compensation for losses to development, or required gains, where adequate onsite mitigation cannot be achieved, and

⁵ That is risk as indicated by CIEEM guidelines 2018, BS42020:2013 and a range of specific best practice guidelines such as the 2016 Bat Survey Guidelines. The Collins J(ed) (2016) Bat Surveys for Professional Ecologists: Good Practice Guidelines (3rd edn) The Bat Conservation Trust London
These cover not only habitat loss but also the impacts on protected species, which need to be assessed separately.

- allocating compensatory payments to deliver strategic biodiversity improvements.

It is important to be aware that, collectively, the effects of several small biodiversity losses over time are likely to result in a significant effect observable at a larger scale, for example, a reduction in the proportion of green space or the irreversible fragmentation of habitats. In this context it is appropriate to consider impacts that are significant at the scale of an individual application site as being ecologically significant. This helps to explain the thresholds above which BIAs are required. These are set out below and align with the Environment Act.

The necessity of considering the wider implication of individual planning decisions for biodiversity is underpinned by Section 40 of the NERC Act. This places a duty on local authorities to have “regard to the purpose of conserving biodiversity” as far as it is consistent with the “proper exercise” of its functions.

The NPPF (2021), BS42020:2013, BS8683:2021 and CIEEM guidelines (2018) all emphasise the importance of proportionality. Notwithstanding the requirement under NPPF Paragraph 179 (b) that plan-making should “pursue opportunities for securing measurable net gains for biodiversity”, the assessment and compensation of harm to biodiversity should be proportionate to the nature and scale of impact⁶.

This means that:

- the ecological evidence required to support planning applications should both relate to the type, and be proportionate to, the likely impact; and
- any ecological mitigation or compensation required should relate to the type and scale of impact as demonstrated by an objective assessment.

Applying the mitigation hierarchy at the design stage

In accordance with the mitigation hierarchy priority should be given to the avoidance and reduction of ecological harm. Where possible habitats should be maintained in situ and consideration should be given to on-site opportunities to restore degraded habitat. In most cases compensation should only be considered as a last resort.

Accordingly, consideration needs to be given to ecological impacts at the design stage so that it can be demonstrated how development proposals have been designed to avoid and/or reduce biodiversity loss. This provides the opportunity to consider innovative proposals that make efficient use of land within development sites that lead to substantive and lasting benefits for biodiversity and improve the environmental sustainability of built development. This could include identifying opportunities to incorporate robust and durable vegetative features into the fabric of built development, such as green roofs and rain gardens.

⁶ The tests for Planning Obligations are set out under NPPF Paragraph 57.

The mitigation hierarchy prioritises the retention of habitats in situ. This is particularly so for designated sites, priority habitat and irreplaceable habitat (Important Habitats). Proposals that result in the loss of or harm to Important Habitat are therefore unlikely to be acceptable in principle.

Where sites contain Important Habitats, development proposals should be designed to ensure that they are retained, adequately buffered and enhanced. Development proposals should also be designed to avoid and mitigate impacts upon Important Habitats within their zone of influence, for example by considering the potential recreational disturbance that is often associated with new residential development.

Where a development proposal results in a loss of biodiversity or a net gain is required, the opportunity to mitigate that loss or achieve that gain on-site should be considered first. This could include the enhancement of retained habitat or creation of new habitat on-site. However, the design of on-site ecological mitigation should be reasonable, taking into account the context in which it is provided. For example: habitat types and their target conditions can be limited by baseline conditions and the likelihood of long-term impacts post establishment, such as recreational disturbance. It is acknowledged that the avoidance and mitigation on-site of adverse ecological impact may not always be practicable, particularly on smaller sites with lower value habitats. In such cases off-site compensation is likely to be more effective than piecemeal on-site mitigation. On-site mitigation proposals should avoid creating small and isolated pockets of habitat and where this is all that can be achieved, off-site mitigation or compensation will be preferable.

It is important to be aware that proposals that do not satisfactorily address matters of ecological impact may be subject to delays or refusal. The Borough Council's pre-application advice service is an effective way of accessing relevant advice, including ecological advice: www.charnwood.gov.uk/pre_application_planning_advice

Biodiversity Impact Assessment Calculators

Measuring Ecological Impact

Biodiversity Impact Assessment calculators (BIA) have been developed recently as an assessment tool for measuring the ecological impact of development proposals. They do this by scoring habitat type and condition and then measuring this in Biodiversity Units (BU). By comparing the calculated value of the existing site with the likely value of the developed site it can be established whether a development proposal will result in a biodiversity net loss or net gain. BIA can be used to inform the design of developments to minimise ecological harm, to understand the impacts of proposed on-site mitigation or and, where net loss cannot be avoided, to require compensation for offsite habitat creation and enhancement.

For small sites which contain a single habitat type, such as those that are currently domestic gardens, a BIA can provide a rapid and objective assessment of ecological assessment. This can, to some extent, replace the sometimes lengthy and unnecessary descriptive accounts typically provided in conventional ecological appraisal reports. The output of a BIA relates directly to the impact of the proposed development and so, where an adverse impact is demonstrated, it is straightforward to quantify what proportionate mitigation means.

Therefore, it is appropriate, even when considering small developments, for a BIA to provide an ecological assessment that is proportionate to the likely impacts and, where relevant, require proportionate mitigation.

It is important to measure ecological impacts as early as possible in the process so that development proposals can respond to the findings of the ecological assessment. In line with the mitigation hierarchy, a change in design or layout or on-site mitigation can avoid off-site provision being necessary. Applicants may wish to take advantage of the Borough Council's Preapplication Advice Service as a part of their planning for ecological mitigation. www.charnwood.gov.uk/pre_application_planning_advice

When should a BIA metric be used?

The Borough Council's approach to identifying when the ecological impacts of proposals should be measured using a suitable BIA calculator is set out below in Table 1. Most proposals for new built development will benefit from being supported by a BIA including residential developments of 1 or more new dwellings and in other cases where a measurable loss of biodiversity is likely. There will be cases however where a BIA is not required, for example where the assessment shows there is no biodiversity value or the risk of significant adverse ecological impact is negligible.

Ecological assessments of development may also be required to assess impacts on protected species, as well as habitats. Therefore, there will be circumstances where a protected species impact assessment is required, but not a BIA, for example where development is proposed within the footprint of an existing building but there is potential for bat roosts to be impacted.

The decision about whether to require ecological assessment will be informed by the likelihood of:

- protected species being present; and
- habitat loss that is significant at the scale of the site.

Broad parameters for ecological assessment are set out in the guide below. However, applications will be considered on a case-by-case basis and informed by specialist advice to determine:

- Whether assessment is required
- The preferred method of assessment
- Whether additional evidence to that already submitted is required
- Whether the applicant needs to consider the design of the scheme and opportunities for on-site mitigation if appropriate

Table 1: Application types where Ecological Assessments are necessary

Application Type	Are protected species likely to be affected	Ecological Assessment Requirements
Change of Use	Y	Protected species impact assessment may be required, specialist advice should be sought
	N	Ecological Assessment not required
Householder	Y	Protected species impact assessment may be required, specialist advice should be sought
	N	Ecological Assessment not required
Replacement dwelling	Y	Protected species impact assessment may be required, specialist advice should be sought
	N	BIA unlikely to be required unless footprint of replacement dwelling is significantly greater than or is located on a different part of the site to, the existing building. Specialist advice should be sought.
1 or more new dwellings	Y/N	BIA likely to be required at application stage along with any necessary protected species impact assessment
Other minors	Y/N	BIA likely to be required at application stage along with any necessary protected species impact assessment
Major applications (10 or more dwellings, 1000 sqm or floorspace, or 0.5ha site)	Y/N	BIA likely to be required at application stage along with any necessary protected species impact assessment

Choosing a suitable calculator

Applicants may use a recognised calculator tool based on the DEFRA metric and which uses either phase 1 or UKHab habitat types to measure the direction and magnitude of impact. This includes the national Biodiversity Metric 3.1 published by DEFRA and Natural England and the Warwickshire County Council Metric 19.1, which is acceptable for use across Leicestershire and Rutland. However, applicants should be aware that for proposals which require offsite compensation, the calculation must include the full costs of compensation.

At the time of writing the only calculator tool that includes a robust cost model for offsite compensation is that produced by Warwickshire County Council (current version 19.1). Whilst DEFRA have consulted on a national biodiversity net gain tariff, the tariff has not been finalised or tested and would not be sufficient to achieve the Biodiversity Unit off site. The Warwickshire Metric 19.1 was created from the DEFRA metric as part of one of six national Biodiversity Offsetting Pilots in 2012-2014. It has undergone several subsequent revisions and been successfully used to achieve biodiversity off-setting. It has been designed for a county in the English Midlands that borders Leicestershire and is based on a scoring system using nationally recognised habitat types (JNCC phase 1) and national costings for habitat management (HLS payments). It includes all the habitat types found in Charnwood and is therefore appropriate for use in Charnwood..

Baseline assessments

Development proposals will be assessed on a case-by-case basis. BIA calculators are important tools for the assessment of ecological impacts associated with development proposals but are not a substitute for professional judgement.

BIA calculators are designed to be simple and straightforward to use, not to provide absolute values for habitat features. Not all sites lend themselves to this simplified assessment method and so there will be circumstances in which revisions to the standard methodology are required to reach a fair and balanced site assessment. Departures from standard methodologies should be adequately explained and justified in all cases.

The sensitivity to small scale variation is limited in some calculators: DEFRA's Biodiversity Metric 3 and Warwickshire County Council Metric 19.1 are only capable of representing habitats of 100m² or more. This represents a Minimum Mapping Unit. Surveyors should take this into account when gathering survey data. Where habitats are too small to map and cannot reasonably be aggregated they should be recorded using; target notes for Phase 1 Habitat Surveys and secondary codes for UKHab surveys.

Technical guidance for BIAs is clear that the use and interpretation of BIA calculators requires expert judgement. Should ecological assessments give rise to questions

about how a habitat should be valued, early engagement through pre-application advice service (www.charnwood.gov.uk/pre_application_planning_advice) is advised in order to avoid delays to or refusal of planning applications.

BIA tools are based on nationally recognised habitat types and in most cases, determining the habitat types present on a given piece of land is straightforward. However, this is not always the case, for example:

- Patch size: evidence shows that larger habitat patches are more species rich
- Connectivity: an absence of barriers to between comparable habitats allows organisms to move between patches and is the basis for ecological networks. However, what constitutes a barrier to movement depends on the species under consideration.
- Structure: structural complexity in vegetative habitats, such as tussocks in grassland, tends to increase the value of a habitat by increasing the range of habitat resources it supports.
- Mosaics of two or more habitat types are often highly valuable and distinctive but can be particularly difficult to evaluate using BIA calculators designed to assess single, discrete habitat parcels.
- Evidence of use or suitability for use by local fauna can demonstrate the value of a site to local fauna, however this aspect is not easy to represent within BIA spreadsheets.
- Local distinctiveness and importance of a given area of habitat depends on local context, for example patches of bramble scrub in urban areas can function as important islands of biodiversity. They may represent the only example of semi natural habitat in some localities and their loss can be particularly difficult to compensate for.

Target notes and secondary codes can be used to record habitat features that help to understand its value for wildlife. Assessors should take relevant target notes and secondary codes into account when scoring habitats for a BIA calculation.

Assessment of development proposals

Features that contribute to the biodiversity value of completed developments include formal open space and private space (usually gardens). The value of these spaces to wildlife is generally low and incidental to their main use and as a result they are scored low in BIAs. In the case of private space, neither the setting of management standards nor monitoring is practically possible.

By contrast, semi natural open space, including SuDS typically managed to create broad habitat types which have a higher value for wildlife. They are important to the setting of new developments but also make an important contribution to achieving a balance for biodiversity (or net gain). As a result, they receive a relatively high score in BIAs but in practice only attain a higher value when they are correctly implemented and managed.

Proposals to retain, enhance and create habitat on development sites should be substantive, deliverable, and defensible. When setting target habitat types and conditions, assessors should take into account existing site conditions, size of habitat parcels and the complexity of management, for example:

- Small and isolated patches of semi natural habitat often lack structural complexity, are prone to disturbance and neglect so are less likely to represent good examples of the desired habitat type or to achieve their target condition.
- Semi natural habitat retained, enhanced or created in private areas is not usually defensible and so should, in most cases, only be proposed in public areas. Where semi natural habitats such as hedgerows are included in private gardens, or other land conveyed to private owners, it should be assumed to be degraded or lost entirely.
- Retained and newly planted trees should be allowed sufficient space around them to avoid the potential for future conflict with nearby buildings.
- Habitat creation and enhancement proposals that are reliant on specialist management will not normally be suitable as part of open space around new developments.
- Where habitat features are proposed for development infrastructure, such as rain gardens or wildlife ponds within Sustainable Drainage Systems (SuDS) basins these should be clearly shown on the relevant plans.

Habitat management proposals should also consider wider environmental sustainability, for example:

- Habitat management proposals reliant on the removal and disposal of large quantities of arisings offsite may not be considered acceptable.
- Proposals designed to provide multiple environmental benefits will be encouraged and welcomed when the additional use or benefit is compatible with the proposed habitat type and condition.

Only land within the application boundary (red-line boundary) should be included in the BIA calculation. If land adjacent to the application site is proposed as compensation for losses related to the development either:

- the red line boundary should be amended to include the adjacent land; or
- the applicant will need enter into a separate agreement with the council for the long-term management of the adjacent land.

Planning conditions should not be used to secure the provision of ecological mitigation outside the application boundary. In these circumstances it may be appropriate to secure the provision as a planning obligation under s106 of the Planning Act.

Outline applications

BIAs should be submitted with outline planning applications, as well as reserved

matters or detailed applications, and will normally be based on an indicative layout. At this stage the purpose of the calculation is to understand; the baseline ecological value for the site, whether a proposal is broadly acceptable and identify the likelihood that significant changes to the design and layout will be required to avoid on-site biodiversity loss or achieve any required net gain.

The decision about whether and how much compensation is required to make a proposal acceptable should be finalised at the reserved matters stage. Consequently, for proposals receiving outline planning permission, the S106 legal agreement should be drafted to include provision for offsite compensation to be calibrated at the reserved matters stage.

Offsite impacts

Development proposals can impact adjacent or nearby designated sites and priority habitat. For example, through recreational disturbance associated with new residential development. In most cases where there are identifiable impacts these should be adequately mitigated by the design of the development. Where this is not possible and where there are identifiable offsite impacts these should be included within the BIA for the development site.

Delivering Off-Site Compensation

Approaches to offsetting

We will consider biodiversity off-setting where it is evident that avoiding biodiversity loss and on-site mitigation are not possible, may result in piecemeal mitigation or where better opportunities exist to secure net gain elsewhere.

There are currently three main routes to providing successful biodiversity offsets:

- the developer identifies a suitable scheme within their own land holding;
- the developer engages a third party to provide the offset on their behalf; or
- the Borough Council receives an offsetting payment on behalf of the developer and allocates this to a project on their behalf.

For offsetting to fulfil its primary purpose it is essential that offsets match impacts with respect to scale and duration and, where a set percentage of net gain is also required, the scale of offset should exceed the impact by that amount. The scale of on-site losses and offsetting gains will be expressed in Habitat Units (HU) or other linear habitat units, collectively referred to as Biodiversity Units (BU).

In most cases the duration of on-site loss of built development is permanent and irreversible. Where there are exceptions to this, evidence should be provided.

Where offsetting payments are made, they may either be allocated to a specific project or pooled to be allocated to a future project. The time limit for expenditure and a specific project or type of offset may be set by the agreements under which payments are made.

Calibrating Payments

Offsetting payments are necessary to avoid adverse ecological impact from development where adequate mitigation cannot be provided on-site. The size or proportion of loss, measured in biodiversity units, provide a means to establish both an appropriate scale for compensation and a direct relationship between the on-site loss and the offsite compensation.

The Leicestershire, Leicester and Rutland planning authorities are currently collaborating on work to establish a local BU cost that covers setting up, monitoring and 30 years' minimum maintenance of off-set sites. This includes work to identify suitable off-setting sites.

Offsetting payments should be capable of funding habitat creation or enhancement equivalent in value to the Habitat Units lost and, where relevant, additional Habitat Units according to the requirement for net gain.

Payments must reflect the full cost of the offset, including the cost of:

- undertaking a baseline assessment;
- preparing a management agreement;
- providing necessary insurance cover;
- preparing an offsetting agreement;
- producing a management plan;
- undertaking long term monitoring;
- habitat creation;
- management activity; and
- land acquisition (if appropriate).

These costs may be calculated using a BIA calculating tool designed for the purpose or may be calculated separately.

Allocating compensatory payments to specific projects

Where offsetting payments can be allocated immediately to an offsetting project, and where the costs and value of habitat creation and enhancement project for that project are known, the size of the offsetting payment can be measured as:

Habitat Units required in offset x Cost per Biodiversity Unit provided by offset

For this this approach to be used it would need to be agreed with the Borough Council that:

- the proposed receptor site or project is appropriate for use in biodiversity offsetting;
- the proposed intervention on the receptor site would provide appropriate compensation for the on- site biodiversity loss; and
- there are no more-suitable alternative receptor sites.

Recognising and Engaging Suitable Offsetting Providers

Offsetting could be provided in several different ways including habitat creation and enhancement on land owned or controlled by:

- a recognised wildlife conservation organisation;
- by a habitat bank;
- the Borough Council;
- another public body or utility provider;
- a community organisation; or
- private landowners.

Offset sites will be accepted following formal agreement between the provider, the Borough Council and where appropriate the developer. Offset providers may set their own costs.

To assess whether a proposed offsetting site/project is suitable the following information will be required:

- evidence of long-term condition sufficient to provide confidence that there has been no significant recent change;
- evidence of tenure;
- evidence of the likely duration of the offset;
- evidence that the payment required by the provider is sufficient to cover the costs of implementing the scheme;
- assurance that the proposed intervention is not the result of other funding or subsidy; and
- evidence of additionality e.g. for public authorities the offsetting project could not reasonably be expected to be delivered through statutory obligations such as NERC Section 40. land.

To assess the value of the offset the following information will be required:

- A recent BIA
- A proposed intervention
- Details of costs. These may be taken from the BIA or agreed with the provider.

Offsetting providers may begin their intervention prior to reaching an agreement to receive payment. This is sometimes referred to as habitat banking. If so, the baseline must be agreed with the Council and the time to reach target condition for each habitat set from the start of the intervention.

Where offsets are provided by the developer or a third party; agreements should also provide for costs to the Council, such as the cost of the agreement, long term monitoring and auditing.

Selecting Receptor Sites

The Council will work proactively to identify and assess potential offsetting providers, particularly for projects and in areas considered to have strategic value for nature conservation.

The Council will select and prioritise habitat creation or enhancement projects as potential receptor sites according to how the proposed intervention:

- contributes to the Local Nature Recovery Strategy or identified strategic priorities;
- compensates for known impacts of development proposals;
- delivers ecological enhancements at an appropriate scale
- is robust and durable; and
- restores degraded habitats, creates new habitats or enhances significantly existing habitats.

The Council may consider offsetting proposals outside the Borough:

- where there are no suitable alternatives within the Borough;
- a receptor site is identified following co-operation with the relevant planning authority; or
- the receptor site contributes towards significant national or regional projects with comparable goals to those of the Local Nature Recovery Strategy.

The Council recognises that in turn neighbouring authorities may identify offsetting opportunities (either entirely within the Charnwood Borough Boundary or across the boundary between Charnwood and a neighbouring authority) as being suitable to compensate impacts in their own local authority areas. We will work proactively with neighbouring authorities and cross boundary partners to develop collaborative approaches where appropriate and where they can demonstrably secure a beneficial outcome.

The Council will also recognise, and consider, the benefits from other ecosystem services and nature-based solutions that may be provided by biodiversity offsetting projects including:

- Cultural Services: recreational use.
- Regulating Services: surface water management and water quality, carbon storage.
- Provisioning Services; agriculture and forestry, community use.

Local Nature Recovery Strategy

The allocation of offsetting payments and recognition of offsetting opportunities will be informed by the Local Nature Recovery Strategy once it is established. The Local Nature Recovery Strategy will be developed from existing and known priorities and therefore, in the absence of a single comprehensive document, an understanding of strategic priorities can be derived from:

- NERC Section 41, Priority Habitats and Species;
- Local Biodiversity Action Plan (BAP);
- Local Wildlife Selection Criteria;
- the distribution of protected sites (including non-statutory sites) and priority habitats within the Borough;
- the distribution of identifiable local ecological networks;
- sites recognised for their potential for ecological restoration;
- Strategic Enhancement Opportunities identified within Natural Character Area appraisals;
- Local Biological Records;
- Natural England Habitat Network Maps and Habitat Potential Maps; and
- Other local nature recovery initiatives.

Broadly speaking a core ecological network can be recognised from the distribution of designated sites, good quality habitat and the connections between them. Priorities for network expansion can be represented by those areas surrounding and providing connections between parts of the core network. The suitability of a given site for habitat restoration, enhancement or creation can be established through a combination of field surveys and consultation of local biological records.

The Borough Council will apply its understanding of nature recovery priorities and networks to assess the potential suitability of offsetting opportunities.

In the interim period before the Local Nature Recovery Strategy is adopted the borough council will have a local site register that we will work with partners to identify and deliver sites.

Allocating Offsetting Payments for Expenditure

At any given time, there may be either a surplus or shortfall in offsetting receptor sites. Biodiversity offsetting payments will be allocated to the most suitable receptor

available, or they may be held by the borough council where a project has been identified on a receptor site but that project cannot be implemented until the council has sufficient credits (from a number of contributors) to enable it to proceed. The receptor will be identified by considering the habitats adversely impacted by the relevant development and its location. In most cases, in accordance with the Mitigation Hierarchy, offsets should relate to the impact's locality and the type(s) of habitat affected.

In some cases, such as small-scale developments or developments affecting lower value habitats, using a strict interpretation of the mitigation hierarchy to allocate offsetting payments may be impractical, resulting in piecemeal ecological enhancement and nature recovery. In these cases, payments may be allocated towards a strategic offsetting project that does not directly relate to the habitat or locality affected, for example; several small contributions could be pooled to fund a single, significant project designed to meet a strategic objective.

In such cases, the pooling and strategic allocation of payments is expected to have several advantages:

- fulfilment of strategic nature recovery aims and objectives;
- creation and enhancement of priority habitats and areas;
- increased confidence in durability of offsets;
- increased feasibility of monitoring; and
- larger and more connected spaces for wildlife.

Where several payments are used to fund a single project, or where an offsetting project receives funding from other sources, specific monitoring and auditing will seek to ensure that;

- habitat creation and enhancement is adequately funded; and
- no double counting of funding takes place.

Novel Approaches

The Borough Council recognises that this is a new and developing approach to compensating environmental harm. The Borough Council may wish to consider alternative approaches to those outlined in the strategy. Consequently, the Borough Council may accept alternative approaches to offsetting provision where it can be confident that the value and duration of the offset can be objectively assessed and compared to impacts from development.

Offsetting on Borough Council land

The Borough Council may choose to identify offsetting projects within its own estate. In such cases, and for other public bodies, there will be an additional need to

demonstrate that the proposed enhancement provided does not fall within what could reasonably be expected from the NERC Section 40 duty to have regard to nature conservation⁷. In other words, it is important that all biodiversity offsetting, including those delivered on Borough Council land is demonstrably additional to that which would have happened in the absence of the payment. For example: the ongoing management of a Borough Council owned nature reserve.

Evaluation and monitoring

Biodiversity net gain will be provided through a combination of on and off-site mitigation measures. It is important to the success of this approach that the resources allocated to biodiversity net gain are sufficient and that the measures proposed are delivered. The Borough Council will undertake a range of monitoring activities to examine the effectiveness and fairness of decisions made in relation to securing net gain.

The process will be subject to a monitoring regime. It is anticipated that this could form part of the annual Authority Monitoring Report, and/ or developer contributions monitoring processes. Where it is shown to be necessary, adjustments to the ways in which biodiversity impacts are calibrated, costed, and allocated will be made in order to meet the objectives of relevant policies and strategy goals.

Principles of Monitoring

BIA calculators will be used to provide a transparent and measurable means of comparing the value of habitat created and enhanced (either as part of on-site mitigation or offsite compensation) with development impacts.

Long term monitoring should ensure that the value of compensation provided (expressed in Habitat Units) is at least equivalent to the net loss, or the minimum net gain threshold where applicable.

The Borough Council will undertake long-term monitoring of on-site delivery of semi natural open space within new developments to ensure that the value of habitat provided is at least equivalent to that proposed at the application stage.

For off-site habitat creation, restoration or enhancement, the Borough Council will record for each development:

- biodiversity loss or required off site gain in Biodiversity Units;
- offsetting project compensation allocated to;
- offsetting payments details (timing and format); and

⁷ Simms, R. Oscroft & Compton, F. (2021) *Nature P.O.Sitive: Understanding the potential for biodiversity net gain in Charnwood open space*. Charnwood Borough Council

- number of Biodiversity Units delivered.

Where net loss is compensated by onsite mitigation or developer payments to the council it is expected that the payment will be made for long-term monitoring by the council, both of habitat provided onsite and offsite.

Where the developer, or another offsetting provider provides the required compensatory habitat a payment for offsetting will not be made to the council. In these cases, monitoring costs will be paid separately and secured by agreement with the developer?

Monitoring and auditing reports undertaken by the Borough Council will be published annually.

It is important that payments are both adequate and proportionate to the amount of compensation required. The Borough Council will undertake periodic auditing to establish that all the costs of offsetting have been met but are not excessive.

In order to maximise benefits of offsetting for biodiversity and create a net gain legacy it will be important that offsets are provided that closely align with Local Nature Recovery Strategy aims and objectives. Once a Local Nature Recovery Strategy is published, the council will evaluate the extent to which strategy aims and objectives are addressed by offsetting projects to understand the relative strategic benefit of each project.