



The fastest, easiest  
route to achieving your 10%  
Biodiversity Net Gain.

It's what you need to  
apply for planning consent.

**civty**  
The Net Gain Exchange



## **Civity helps developers achieve a Biodiversity Net Gain with off-the-shelf biodiversity units, habitat management and consultancy.**

Our social and economic pressures are exacting an unacceptable price on England's dwindling wildlife heritage. The Environment Act 2021 aims to prevent the environment's further loss and, at the same time, meet its obligations to the country's expanding population.

From January 2024, it will be mandatory for developers to deliver a 10% biodiversity net gain (BNG) to get planning consent.

Civity is a landbank brokering the biodiversity assets of landowners to offset the biodiversity liabilities of developers. We sell biodiversity units whilst working closely with professional advisors, local planning authorities and landowners to manage land as a sustainable wildlife habitat.

We balance the needs of essential development with our disappearing wildlife habitats and understand the pressures on both sides of the fence. We are an experienced team specialising in ecology, finance, property development and land management.

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### **Index**

Developer's route to Biodiversity plan approval	3
Biodiversity glossary	4
Defining habitat types	7
About Civity and its Directors	8

# The developer's route to Biodiversity Net Gain plan approval

**In the months leading up to mandatory BNG, local planning authorities are already being told to treat all applications as if the Environment Act 2021 was already in place.**

The first step towards achieving BNG is to have the development site valued in biodiversity metrics by a qualified ecologist. If your proposals do not achieve a BNG, it will have to be found off-site. Local planning authorities have their own rules: they prefer the replacement habitat to be as close as possible to the development site and, if that is not possible, somewhere within their authority boundaries. If the habitat is far from the site, a 'Spatial Risk Multiplier' is applied which cuts the value of the biodiversity units in proportion to the habitat's distance from the site.

Prior to applying for planning permission, it is necessary to develop a BNG plan.

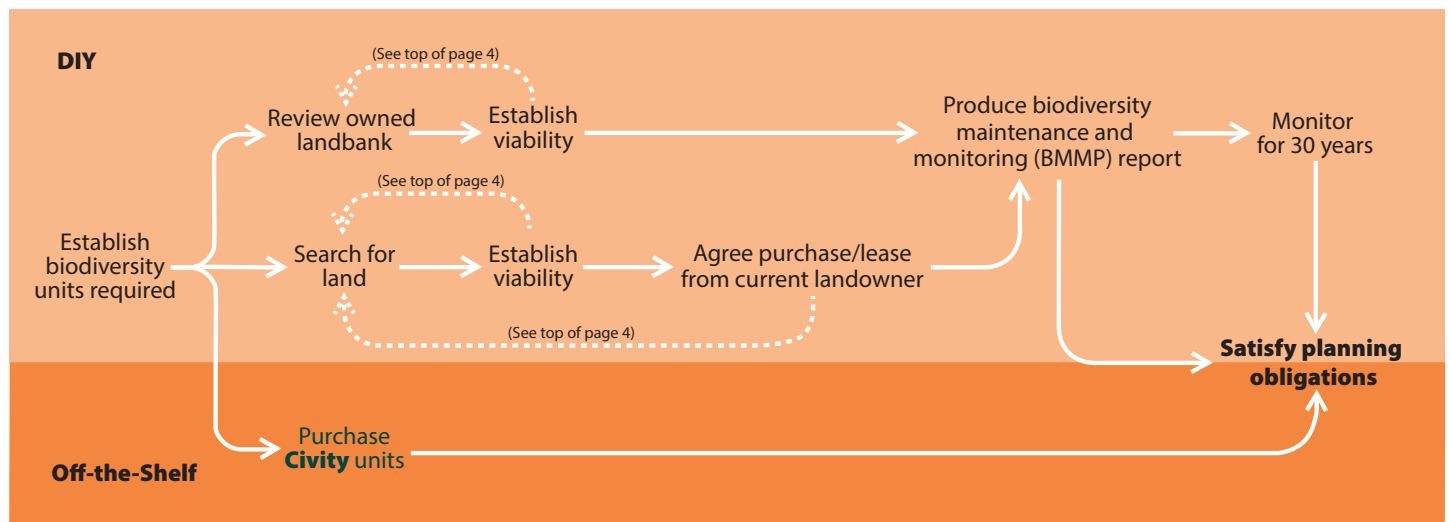
- If a developer cannot achieve a gain of 10% on-site, local authorities would prefer an alternative site within their boundaries rather than a site beyond them.
- Developers have up to 12 months to start the offset work but it is often beneficial to start the creation or enhancement of the habitat early.
- For the time being, BNG applies only to England.

Before the LPA approves your plan, they will validate the data you have supplied and take into consideration national, regional and local strategies, wildlife protection schemes, conservation covenants and how you will contribute to local issues.

## Snakes and ladders

The law requires that the type of habitat degraded by the development must be replaced 'like-for-like or better'. This is called 'satisfying trading requirements'.

This can be like a game of snakes and ladders: every



## Preparing your BNG plan

Your local planning authority will require a detailed BNG plan. To complete and comply, the following factors should be taken into account:

- From January 2024, most planning applications (with few exceptions such as small householder applications) will not be considered without showing a 10% biodiversity net gain.
- A BNG plan is a document stating how a 10% BNG will be achieved for 30 years.
- A BNG plan can be used to specify how the developer will deliver your own biodiversity units, or can name a broker (such as Civity) from whom "off-the-shelf" off-site biodiversity units will be purchased.
- Only approved providers like Civity can issue "off-the-shelf" biodiversity units.
- Local planning authorities will prioritise achieving net gain on-site but often, off-site units will be required as an offset to achieve the mandatory 10% gain.

step has to conform to the needs of the Environment Act 2021. Get it right and you move forwards, get it wrong and you may be sent back. There is only one ladder that is free of setbacks and we will come to that.

So, first, let's have a look at the route you can take to acquire biodiversity units.

## Three routes to biodiversity units

In the diagram above, you will see there are three routes for acquiring the biodiversity units to get on road to being granted planning permission:

### The "DIY" Routes

1. By managing/monitoring land you already own within your own landbank for 30 years. This could be on-site, off-site or both.
2. By leasing or purchasing land and managing and monitoring the land yourself for 30 years.

### The "Off-the-shelf" route

3. By going direct to a landbank, such as Civity, which,

as you can see from the flowchart is faster and removes all further responsibility and risks for 30 years.

If you, the developer, choose either of the DIY routes, you may meet some 'snakes' along the way. These are the dotted lines on the flowchart that can take you back a stage or two; there are several more problems that may crop up en route:

- You discover the land does not produce enough biodiversity units to meet the 10% gain.
- The quality and type of habitats impacted by your development must be replaced like-for-like or better. If this is not possible, you will need search for land that does meet these criteria.
- Your development site is far from the replacement habitats so a "Spatial Risk Multiplier" may be applied that decreases the value of biodiversity units relative to the distance between your site and the land you have found.

Any, or all, of these factors could require a revaluation of the biodiversity units required OR the need to search for more, or other, land. So, you may have to start again.

## The advantages of going to Civity

- **Off-the-shelf.** Civity can provide biodiversity units for upcoming planning applications as well as consultation to ensure a smooth transit through the planning process.
- **Fast.** The acquisition of biodiversity units is much faster than purchasing suitable land.
- **Maintenance-free.** Civity takes over the responsibility for maintaining and monitoring the land for 30 years.
- **Asset-efficient.** No need to tie up funds in the land that serves little purpose to the developer.
- **No risk.** Civity will absorb all the legal liability and planning implications for delivering the units you purchase.
- **Expertise.** Civity has its roots in ecology, biodiversity and planning.



**Bridge over troubled waters.** Civity is the fastest, easiest way to overcome your BNG problems.

### There are still more hurdles:

- Agreeing a purchase/lease price.
- The creation of a biodiversity maintenance and monitoring report (BMMP) that explains how the habitat(s) will be managed and/or enhanced for 30 years.
- After approval of your BNG plan, you must report on the way the land is maintained even if you have arranged for someone else to manage it.

### The direct and easiest route

**Civity** is the bridge, the off-the-shelf solution that cuts the time, cost and effort. The journey is short, the transaction can be quick and you have no residual long term obligations because Civity takes them on.

## Civity Net Gain Exchange

- An ethical business helping developers.
- A growing landbank that creates biodiversity units for developers.
- A specialist company with a board of directors experienced in ecology, land and the residential, commercial and industrial property markets.
- A consultancy that marries the science of ecology with the economics of society.
- An ecological company that works closely with local planning authorities.
- We also commit to reinvesting part of our company profits back into community-based projects.

# BIODIVERSITY GLOSSARY

Like every kind of business, Biodiversity Net Gain has its buzzwords. Those in the know, the law-makers, central government departments, LPAs, ecologists, as well as all those involved in the commercial side of the business – understand them and use them freely. But for many more who are affected by the Act but not entirely familiar with its ways, the language can be hard to follow and obscures the obligations, rights and BNG offers. So here is a glossary of everyday words and phrases that we hope will keep you up-to-date in this new and evolving imperative to our environment planning.

**Ancient Woodlands:** an area that has remained wooded since 1600AD in England. There are some habitats that BNG metrics cannot be used because of their irreplaceable ecological value; ancient woodland is one of them.

**Biodiversity:** A measure of the variety of wildlife in a particular area.

**Biodiversity credits** are an expensive alternative to biodiversity units sold by the government, sometimes called ‘statutory credits’. This is a deliberate policy by the government to encourage the units to find a market value. Biodiversity credits should only be used when there are no other alternatives.

**Biodiversity metric:** Is the standard calculator for measuring the biodiversity value of habitats (Metric 4.0). The metric has been developed by Natural England in association with DEFRA to help developers, construction companies, landowners, local planning authorities, ecologists, land banks and professional advisors.

**BNG jurisdiction:** At present, only England.

**Biodiversity Net Gain (BNG):** Is the sum of the biodiversity value of the site before construction, less the value of the damage caused by the development’s construction, plus the biodiversity value to be restored to meet the 10% gain. The gain can be achieved both off-site and on-site, depending on a case-by-case basis.

**Biodiversity Net Gain Plan:** In assessing an application for planning permission, the local planning authority will want to see a BNG plan. This will set out the developer’s biodiversity objectives and describe how BNG will be achieved. For example, on-site, off-site or through third party offset brokers.

**Biodiversity offset markets** are for the buying and selling of biodiversity units. These markets are populated by many kinds of intermediaries: brokers, landowners, local authorities (who may also be landowners), large land agencies and landbanks such as Civity. Stakeholders and some mediators may also offer strategic guidance and/or internal resources to assist developers in their goal of providing off-site mitigation.

**Biodiversity offsetting.** Using habitat creation/enhancement within a parcel(s) of off-site land to compensate for an on-site reduction in biodiversity.

**Biodiversity Site Register:** This is a transparent public record that will show the following details for each biodiversity off-setting transaction:

- The location details of the off-set site;
- Date of registration and other details.

The register will also reduce the risk of fraudulent or misleading claims.

**Biodiversity units:** This a standard unit, the Biodiversity Metric, for measuring biodiversity. It is based on a habitat’s type, condition, location, difficulty of creation and future risks.

**British Standard BS8683:** This standard is relevant to landowners and land managers offering biodiversity units and to developers looking for off-site units. The standard applies across the whole of the UK unlike the BNG requirement.

**Chartered Institute of Ecology and Environmental Management (CIEEM):** Is the professional membership body representing and supporting ecologists and environmental managers in the UK, Ireland and abroad.

**Compliance market:** The Environment Act establishes a “compliance market,” ensuring a supply of biodiversity units from landowners and managers to sell to developers who require them. These off-site habitats will meet the required standard, and their creation and enhancement will result in biodiversity units available for sale.

**Conservation Covenant:** Is a legal agreement between individuals or Responsible Bodies to conserve the natural or heritage features of the land. It must conserve the land for the public good or have some other conservation purpose. See Gov UK Conservation Covenant Agreement.

**DEFRA:** The Department of the Environment, Food and Rural Affairs.

**Distinctiveness:** A hierarchical rank (high, medium, low) of habitat types. The distinctiveness of the different kinds of habitats is one of the determinants of habitat value. It measures the difference between such ecological factors as the rarity of the habitat and the richness of the species within it. DEFRA categorises distinctiveness into two types: Broad, such as grassland and wetland, and Specific, such as orchards, hedges and reedbeds. These types are further divided into seven tiers accounting for some 35 kinds of habitat. See page 8

**Ecology By Design:** An established ecology consultancy licensed to survey and value land for the purposes of BNG. The director and staff are all members of the Chartered Institute of Ecology and Environmental Management (CIEEM).

**Environment Act 2021:** The legislative document behind BNG. The principle of BNG is to aim to leave a development site in a better state than it was before. Until The Act becomes the law, the requirement by most LPAs is to treat an application as if the law already existed. The Environment Act 2021, also known as BNG, comes into effect in January 2024. For planning permission to be granted, all new developments must show an increase in the biodiversity value of the site by 10% minimum. Note that for small and Nationally Significant infrastructure projects, enactment will follow in due course.

**Equivalence:** When offsetting a site’s biodiversity deficit, there has to be a fair exchange of habitat sites in the first instance. That is to say, the same biodiversity values for habitats, species, ecosystems or ecological functions that were lost. See also ‘Trading Rules’.

**Financial compensation:** If an off-site habitat is not possible to obtain, financial compensation may be considered. Some local planning authorities have a system in place for this and will charge a fee which will contribute towards habitat creation and/or enhancement in its local area.

**Habitat:** A habitat is where insects, plants, fishes, animals, reptiles, invertebrates and other living organisms live. They are dependent not only on their habitats but also on each other. They also contribute to the natural countryside's health and wealth.

**Habitat banking:** Creating/enhancing habitats in advance of selling the units that are produced by doing this.

**Habitat Distinctiveness:** See 'Distinctiveness' above. More detail on page 8.

**Land Bank:** See Habitat Banking.

**Landowner Obligations:** These fall into three parts:

- *Restrictive obligations:* things that the landowner must not do. For instance, apply fertiliser to hay meadows or planting trees at archaeological sites;
- *Positive obligations:* things the landowner or Responsible Body must do, such as grazing a flower-rich meadow;
- *Enabling obligations:* things that the landowner must allow a Responsible Body to do on the land.

**Local Authority:** See Local Planning Authority Below.

**Local Planning Authorities (LPA):** A local planning authority is usually a department within the local authority. Whilst the local authority has wide responsibilities over its designated area, the local planning authority is limited to regulating, controlling and determining the planning and development direction of its area. It is the local planning authority to whom developers apply for planning permission together with the supporting biodiversity net gain plans for permission to be granted.

**Maintenance agreement.** See the Thirty-Year Maintenance Agreement.

**Management agreements:** May be entered into when there is a Conservation Covenant and changes are required to alter the way the land is managed. It is legally binding and carries obligations but does not interfere with the covenant itself. Legal advice may be required.

**Mitigation hierarchy:** If a development site falls short of the mandatory biodiversity net gain of 10% on site, the first thing to do is to see if the loss can be made good on site. This is called **mitigation hierarchy**. There are four steps: damage **avoidance**, damage **minimisation**, damage **compensation**, **damage offset**. If the offset on site is still insufficient, it will have to be found off-site.

**National Planning Policy Framework:** The revised National Planning Policy Framework sets out the government's planning policies for England and how these are expected to be applied. (See *Policy*).

**Natural England:** Is the government's independent advisor on wildlife and is charged with conserving and enhancing England's natural environment for its intrinsic value, well-being, and the enjoyment of its people as well as for the economic prosperity that it brings.

**Nutrient Neutrality:** Construction can create a nutrient impact: an excess of nitrates and phosphates, which can pollute lakes, rivers and streams. This encourages algae growth that can disrupt healthy ecosystems and affect the wildlife that is dependent on the water. Nutrient neutrality is ensuring that the nutrient impact of a development is at least null or, preferably, positive.

**Planning Permission** is the licence to build awarded by the government or, more usually, the local planning authority (or local authority). From January 2024, planning permission can

only be granted if the developer can show a sustainable biodiversity net gain of 10% over the existing biodiversity value of the site.

**Protected species:** Many animals and plants are protected, but BNG does not include them in its metric and is unlikely to do so in the foreseeable future. However, in assessing planning permissions, the local planning authority will consider their status as well as their habitats.

**Responsible Body:** In the context of BNG, an organisation created to oversee functions properly. It can be a local authority, public body, charity or other body whose main activities relate to conservation. Local Planning Authorities (LPAs) may also act as responsible bodies.

**Riparian zones:** A typical riparian zone is a riverbank where the land meets a stream, river, pond, lake or wetland. Owners of land containing a Riparian zone have multiple responsibilities, including environmental stewardship and habitat protection.

**Section 106 Agreements:** Section 106 of the Town & Country Planning Act 1990 enables a local planning authority to enter into a legally binding agreement or planning obligation with a landowner, contractor or other party as part of the grant of planning permission.

**Spatial Risk Multiplier:** When an application is made for planning permission, the Local Planning Authority likes to see, where possible, the biodiversity net gain on-site. If this is not possible, then off-site. However, the biodiversity value of the habitat diminishes the further away it is from the development site. This loss of value is known as the 'spatial risk multiplier'.

**Stacking:** Receiving multiple funding sources on the same land parcel such as environmental credits, subsidies and grants.

**Stakeholder:** A stakeholder is a person or group of people who have an interest in the business without necessarily being directly financially involved. The role is to help a company meet its strategic objectives by applying the stakeholder's experience and perspective to a project. Stakeholders can bring a deeper understanding of how the enterprise's operations affect people, groups and communities more widely.

**Statutory credits:** See Biodiversity Credits.

**Thirty-year maintenance agreement:** When the biodiversity value of land is used as an offset for the loss of biodiversity on a development site, that value has to be maintained and/or improved for a minimum of 30 years. The responsibility for its upkeep lies with the owner who could also be the developer if they owned the land to start with or bought it from a landowner. Whether the developer is the owner OR contracts a third party to maintain the land OR leases the land, they will still be obliged to make regular reports to the LPA on the condition of the habitats for the entire 30-year period. **However, if the developer buys the biodiversity units from a land bank, like Civity, they are cleared of any ongoing responsibility for the land and its habitats.**

**Trading rules:** These specify the types of habitat that can be used to replace existing habitats on the basis of like-for-like or better. It is based on the 'distinctiveness' (ie type) of habitats in question. However, for 'very high' and 'irreplaceable' habitats, a bespoke compensation may be required.

**UKHAB:** Is the categorisation that defines a habitat, its condition and strategic significance. DEFRA, supported by the professional judgements of experienced ecologists, assesses the loss, retention or enhancement of specific habitats.



# DEFINING HABITAT TYPES

The Environment Act 2021 states that habitat lost through property development must be replaced on a 'like-for-like or better' basis that achieve a net gain in biodiversity of at least 10%. We show below how DEFRA categorises the various types of habitats. Remember, this is about *habitat* preservation NOT *wildlife* preservation, that is covered by separate legislation.

## 'Defining Habitat Types'

Three separate types of biodiversity units are measured when assessing BNG: habitats, hedgerows, and rivers.

**Habitats** are 'area' habitats, thing like woodlands, grasslands and gardens, measured in hectares.

**Hedgerows** are linear scrub and tree habitats such as farm hedgerows and lines of trees, measured in km,

**Rivers** are linear water features such as ditches, watercourses and canals, measured in km.

Habitats, hedgerows and rivers categories are measured separately and cannot be traded off against each other. An excess of hedgerow units cannot be used to offset a loss of habitat units.

Within each type of unit, there is also a hierarchical rank of trading requirements based on habitat distinctiveness.

**Low distinctiveness** habitats are like gardens, non-native hedgerows and cement-lined culverts; largely

artificial and/or common habitats with little biodiversity value.

**Medium distinctiveness** habitats are typically heath, scrub, grassland, urban land, cropland, wood and forest, intertidal and sediment areas, lakes and ponds.

**Higher distinctiveness** habitats are, for example, things like ancient woodland, mature native hedgerows with veteran/ancient trees and priority chalk rivers; natural and ecologically valuable habitats that are difficult or impossible to replace.

Generally, lower distinctiveness habitats cannot be used to offset losses in higher distinctiveness habitats, garden lawns are no replacement for ancient woodland!

The table below shows a breakdown of habitat types and trading rules. On the whole, Biodiversity units with a higher distinctiveness are more financially valuable due to their rarity, fewer options available, and difficulty to produce or replace.

Distinctiveness	Habitat types and number as per metric version 4.0			Trading rules	Units can be used to off-set:
	Habitats	Hedgerows	Rivers		
<b>Very high</b>	20	1	1	Loss cannot be measured with metrics	Like-for-like (on bespoke basis). Medium or low
<b>High</b>	42	3	1	Must be replaced like-for-like. Cannot trade down	like-for-like. Medium or low
<b>Medium</b>	27 in 9 groups of broad types	5 only 1 broad type	2 1 broad type	Same broad habitat or higher distinctiveness required to offset any loss	Like- for -like. same broad type. Low
<b>Low</b>	38	4	1	Can be replaced with any other habitat	Low only

# CIVITY NET GAIN EXCHANGE

Civity balances the needs of ever-expanding development with our disappearing wildlife habitats. We understand the pressures on *both* sides of the fence.

We are an ethical business fully qualified to help landowners over the years:

- A board of directors with experience in ecology, the built-up environment, finance and business.
- A growing land bank that converts into Biodiversity Credits for developers.
- The financial and practical means to manage a project for the benefit of landowners, stakeholders and the local community.

We also commit to reinvesting part of our company profits back into community-based projects.

## THE DIRECTORS.



**Ben Gardner** – *Ecological Director*

Ben has worked in ecology for over 18 years and has a deep understanding of the BNG agenda.



**Sam Farmer** – *Finance Director*

Sam is an ex-city broker and a qualified financial adviser in Oxford. He has laid strong foundations in providing sound financial advice for his clients.



**David Haines** – *Land Director*

David is dedicated to supporting business owners to fulfil their dreams and ambitions. David has had 30 years of experience growing businesses.



**Timothy Hobern** – *Marketing Director*

Tim comes from New Zealand, arguably the most environmentally-conscience country in the world. He has a natural talent for making things happen.



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