

Biodiversity Net Gain Habitat Banks Criteria

Introduction

This guidance explains how Westmorland and Furness Council will assess applications for legal agreements to secure habitat banks that propose to trade Biodiversity Units. UK nature markets are developing at pace. This guidance will be kept under constant review and will be subject to periodic updates to take account of emerging the consensus on good practice.

We will use the seven supply-side project development principles set out within the [UK Nature Market Principles](#) as a framework for assessing all applications for legal agreements (Table 1).

Table 1 Nature Market Principles

Nature Market Principle	Principle Detail
Principle 1	Science-based Nature Recovery: Nature based projects are led by science and deliver net gains to biodiversity and ecosystem integrity.
Principle 2	Environmental & Social Safeguarding: Projects adopt a holistic & integrated approach (at landscape, local & national levels) to minimise leakage and not cause adverse impacts on other environmental objectives or on local communities. Existing environmental projects are not undermined by the sale of ecosystem services.
Principle 3	Additionality: Projects only sell ecosystem services based on new, verifiable environmental outcomes that would reasonably be expected not to have happened without the income generated from the sale of ecosystem services.
Principle 4	Permanence & Financial Prudence: The durability of benefits is maximised, ideally in perpetuity, and the risks of reversal of the benefits are mitigated through financial prudence.
Principle 5	Seek Co-Benefits: Projects seek to maximise co-benefits for local communities and society.
Principle 6	Verifiability: Projects deliver reliable and independently measurable environmental gains through best practice management, monitoring, independent verification and reporting.
Principle 7	Transparency: Projects commit to public disclosure of outcomes to maintain accountability and support the development of trusted ecosystem service markets

Our approach

Assessment of biodiversity gain is centred around the biodiversity metric, which is published by Natural England. The biodiversity metric is accompanied by a user guide which establishes a set of rules and principles, many of which reflect the nature market principles. The biodiversity metric rules and principles will form part of the framework for assessing applications.

The Statutory Biodiversity Metric User Guide (version July 2024) sets out nine principles (Table 2):

Table 2 Biodiversity Metric Principles

Biodiversity Metric Principle	Principle detail
Principle 1	The metric assessment should be completed by a competent person.
Principle 2	The use of this biodiversity metric does not override existing biodiversity protections, statutory obligations, policy requirements, ecological mitigation hierarchy or any other requirements. This includes consenting or licensing processes, for example woodlands.
Principle 3	This biodiversity metric should be used in accordance with established good practice guidance and professional codes.
Principle 4	This biodiversity metric is not a complex or comprehensive ecological model and is not a substitute for expert ecological advice.
Principle 5	Biodiversity units are a proxy for biodiversity and should be treated as relative values.
Principle 6	This biodiversity metric is designed to inform decisions in conjunction with locally relevant evidence, expert input, or guidance.
Principle 7	Habitat interventions need to be realistic and deliverable within a relevant project timeframe.
Principle 8	Created and enhanced habitats should be, where practical and reasonable, local to any impact and deliver strategically important outcomes for nature conservation.
Principle 9	This biodiversity metric does not enforce a minimum habitat size ratio for compensation of losses. Proposals should aim to: <ul style="list-style-type: none"> • Maintain habitat extent - supporting more, bigger, better and more joined up ecological networks. • Ensure that proposed or retained habitat parcels are of sufficient size for ecological function.

The latest version of the biodiversity metric will be used to assess all applications. Applications may need to be resubmitted, if the biodiversity metric version changes during the application process.

Stacking

Biodiversity net gain and nutrient neutrality credits can be stacked. Stacking is when different benefits on a piece of land are sold as separate units of trade or credits. We will only consider applications where stacked credits demonstrate additionality. Additionality means that the environmental outcomes paid for must be additional to those that would have reasonably been expected to be produced without the cash flow generated through the unit sale. This works on two levels:

1. The outcomes to be delivered must not already be required as the result of a legal or other obligation e.g. an agri-environment scheme.
2. If delivering more than one outcome on the same piece of land the stacked benefit must be additional i.e. it must assume as its baseline value the predicted outcome of the credit/unit that lies below it in the stack.

For example, a landowner creates a wetland on their land to provide nutrient neutrality mitigation. In order for the same piece of land to also be eligible for the BNG market, the landowner would need to undertake additional work to improve the distinctiveness and/or condition of the wetland without compromising its ability to deliver the agreed nutrient neutrality mitigation. The biodiversity units generated through this additional intervention would be eligible for sale. In other words, the baseline used to measure the number of biodiversity units delivered the habitat state, in terms of distinctiveness and condition, that would be the minimum required to establish the nutrient neutrality credit.

Required evidence

Applicants are required to submit information to the council to evidence how they will comply with the requirements of the assessment framework. Westmorland and Furness Council will only enter into legal agreements which are judged to be in compliance with our assessment framework. Further information on the requirements for applicants are set out in the table below.

We will continue to update this guidance regularly. Applications must accord with the latest version of the guidance.

Stage 1 – Initial Review

Requirement	Guidance Note	Evidence Required	Key References
Site location	Detailed site location to be provided	<ul style="list-style-type: none"> Particulars of site location to be included in the application form. Site boundary must be provided in georeferenced data format e.g. .shp or .gpkg 	Not applicable
Applicant to demonstrate legal control over land	<ul style="list-style-type: none"> Information on form of legal control over the land. Details of any leasehold agreement or tenancy agreement or any other contract that enables the applicant to deliver BNG on the land for a minimum of 30 years 	<p>The following should be enclosed with the application:</p> <ul style="list-style-type: none"> Land Registry Title deed and plan of the land boundary from owner Charges register of title and plan Copy of Leasehold Agreement (if applicable) 	Not applicable
Landowner consent to enter a section 106 agreement	Landowner consent is needed to enter into the legal agreement to secure the enhancement, maintenance and monitoring of habitats present on the land	<p>The following should be enclosed with the application:</p> <ul style="list-style-type: none"> Written consent from owner to broker to act on their behalf (if applicable) Information on who will be signatory to the agreement 	Not applicable

Requirement	Guidance Note	Evidence Required	Key References
Consideration of co-benefits	Proposals should demonstrate a positive impact on local community and where possible engage with local stakeholders to design projects that contribute to wider nature recovery goals	Details of effect of proposals on any current tenancy agreements associated with the land should be detailed within the application form.	Not applicable
Scheme will not cause conflict with existing designations, licences or legal agreements	<p>Proposals should provide evidence with respect to current environmental designations relating to the land e.g. presence of Sites of Special Scientific Interest (SSSI).</p> <p>If environmental designations are present then confirmation that the appropriate consents are in place with the corresponding regulating body to enable the scheme to take place.</p> <p>Proposals to provide details of other designations/licences/legal agreements pertaining to the land in question such as agri-environmental agreements, common land, public rights of way, grants of planning</p>	<p>Mapping showing site and designations to be provided as part of ecological report.</p> <p>Details of any known conflicts and that reasonable checks have been undertaken should be detailed in the application form.</p>	Magic maps

Requirement	Guidance Note	Evidence Required	Key References
<p>Scheme will not cause conflict with existing designations, licences or legal agreements (continued)</p>	<p>permission, shooting rights, felling licences, aerodrome safeguarding considerations</p>	<p>Please see above</p>	<p>Please see above</p>
<p>Adequate ecological baseline</p>	<p>Proposals should be accompanied by a full ecological assessment of the site by a suitably experienced ecologist. Habitat mapping must follow UKHab and all condition assessments should be supplied. The ecological assessment should inform completion of the current version of the statutory biodiversity metric.</p> <p>All habitat parcels must be individually referenced on habitat maps and in the metric. The same referencing system is to be used throughout the lifetime of the habitat bank.</p> <p>Ecological reports must consider the presence of protected and priority species and how they</p>	<ul style="list-style-type: none"> • The application must be accompanied by an ecological report(s) which present a full ecological assessment of the site. • Appropriate evidence should be provided that the ecological assessments, report and biodiversity metric have been produced by a competent assessor 	<ul style="list-style-type: none"> • Chartered Institute of Ecology and Environmental Management • UK Habitat Classification System • River Condition Assessment • Botanical Society of Britain and Ireland (BSBI) Field Identification Skills Certificate (FISC)

Requirement	Guidance Note	Evidence Required	Key References
Adequate ecological baseline (continued)	<p>might be affected by the proposals.</p> <p>All ecological assessors must outline their competency with respect to BNG and any associated qualifications (e.g River Corridor Assessment) in line with established guidance.</p>	Please see above	Please see above
Realistic and achievable uplift in biodiversity value	<p>The proposed uplift in biodiversity units should be demonstrated through the latest version of the statutory biodiversity metric.</p> <p>Proposals must be realistic and achievable in accordance with the principles set out in the statutory biodiversity metric user guide. It is highly recommended that applicants do not target habitat creation measures that are unrealistic or carry a high degree of risk. Under the current BNG regime habitats can be further enhanced at the end of the 30 year period and site</p>	<ul style="list-style-type: none"> • Ecological report which clearly outlines why the proposed habitat creation/enhancement measures are appropriate to the site and accord with the biodiversity metric principles. • Supporting evidence e.g. soil testing should be provided where appropriate 	Not applicable

Requirement	Guidance Note	Evidence Required	Key References
<p>Realistic and achievable uplift in biodiversity value (continued)</p>	<p>secured for a further term to deliver the resulting uplift. A staged approach to achieving higher condition/ distinctiveness habitats is therefore recommended. It is expected that applicants will provide a written statement outlining how they have ensured that their habitat enhancement/creation measures are realistic and achievable on the land in the 30 year timeframe.</p>	<p>Please see above</p>	<p>Please see above</p>
<p>Assessment of other constraints</p>	<p>Proposals should provide evidence that environmental constraints to the proposed habitat enhancement/creation activities have been fully investigated and, if necessary, mitigated in the proposals. The following constraints should be considered (this is not an exhaustive list):</p>	<p>Ecological and/or other reports should include the following where appropriate (not an exhaustive list):</p> <ul style="list-style-type: none"> • Soil testing results e.g. following Natural England TIN035. • Hydrological or flood risk assessment. • Archaeological assessment. • Contaminated land assessment • Assessment of infrastructure requirements 	<ul style="list-style-type: none"> • Soil sampling for habitat recreation and restoration (TIN035) • Flood risk assessments

Requirement	Guidance Note	Evidence Required	Key References
Assessment of other constraints (continued)	<ul style="list-style-type: none"> • Soil chemistry: High levels of nitrogen and phosphorous have the potential to constrain proposals for habitats such as meadows where restricted nutrient levels are important to provide the right conditions for development species-rich swards. • Assessment of site hydrology: Existing site hydrology has the potential to constraint proposals for habitats such as wetlands, which rely on impeded drainage. Flooding has the potential to place habitat creation/enhancement schemes at risk 	Please see above	Please see above

Requirement	Guidance Note	Evidence Required	Key References
Assessment of other constraints (continued)	<ul style="list-style-type: none"> • Landscape and archaeology: Landscape and archaeological features have the potential to constrain proposals, especially where ground works or significant changes in vegetation cover (e.g. grassland to woodland) are proposed. • Contamination: Land contamination has potential to constrain proposals in terms of habitat viability and also in terms of effects on water quality and waste disposal. • Access and infrastructure: Lack of infrastructure such as fencing or access tracks has the potential to constrain proposals that require machinery access and/or livestock 	Please see above	Please see above

Requirement	Guidance Note	Evidence Required	Key References
<p>Habitat enhancements/creation measures must be additional</p>	<p>Proposals should provide clear information on whether any stacking of ecosystem service credits is proposed e.g. biodiversity units and nutrient neutrality credits.</p> <p>Clear evidence should be provided of additionality for any stacking proposals.</p> <p>Where land is under an agri-environmental agreement clear evidence should be presented to demonstrate the habitat enhancement/creation measures that would result in marketable BNG units would be additional to the outcomes of the agreement.</p>	<p>The application form/ecological report must contain the following information:</p> <ul style="list-style-type: none"> • Confirmation of intent to stack credits from different nature market and details of the markets. • Confirmation of additionality for stacked proposals 	<ul style="list-style-type: none"> • Nature Market Principles • Stacking and bundling in the finance of nature markets
<p>Schemes should contribute to recognised nature recovery plans, targets and principles</p>	<p>Proposals should provide clear evidence that recognised nature recovery principles, plans and targets have been taken into account as part of scheme design. Schemes should:</p>	<p>Ecological reports to provide detailed confirmation that the LNRS and other plans and principles have been taken into account.</p>	<ul style="list-style-type: none"> • Local Nature Recovery Strategy • UK Environmental Improvement Plan

Requirement	Guidance Note	Evidence Required	Key References
<p>Schemes should contribute to recognised nature recovery plans, targets and principles (continued)</p>	<ul style="list-style-type: none"> • Aim to deliver the measures set out within the Local Nature Recovery Strategy (LNRS) wherever possible. • Aim to contribute to Environmental Improvement Plan objectives by targeting ‘wildlife rich’ habitats wherever possible. • Aim to accord with Chartered Institute of Ecology and Environmental Management (CIEEM) Biodiversity Net Gain Good Practice Principles 	<p>Please see above</p>	<ul style="list-style-type: none"> • Biodiversity Net Gain: Good Practice Principles for Development. CIEEM
<p>Strategic significance and spatial risk</p>	<p>Proposals should utilise the latest version of Westmorland and Furness Council’s strategic significance guidance when completing the biodiversity metric.</p>	<p>The ecological report and statutory biodiversity metric must clearly demonstrate they have followed the latest guidance on Strategic Significanc</p>	<p>Statutory Biodiversity Metric User Guide</p>

Requirement	Guidance Note	Evidence Required	Key References
Strategic significance and spatial risk (continued)	Proposals should explain whether they intend to restrict unit sales in anyway e.g. preference given to local requirements	Proposals must confirm which geographical markets they will target within the application form	Westmorland and Furness Council Strategic Significance Guidance
No conflict with irreplaceable habitats	Proposals will need to demonstrate that the extent and condition of any irreplaceable habitat(s) occurring onsite or within the zone of influence of the proposed habitat creation/enhancement works is maintained or enhanced.	Ecological reports and completed biodiversity metric must demonstrate no conflict with irreplaceable habitats.	Irreplaceable habitat - GOV.UK
Habitat management and monitoring plan	<p>Proposals must be accompanied by a detailed management plan setting out the following (not an exhaustive list):</p> <ul style="list-style-type: none"> • Aims and objectives • Habitat and condition targets • Detailed monitoring strategy • Monitoring strategy <p>We request that all management plans follow the Natural England</p>	An appropriately detailed Habitat Management and Monitoring Plan (HMMP) must be submitted with all applications.	Natural England Habitat Management and Monitoring Plan template

Requirement	Guidance Note	Evidence Required	Key References
Habitat management and monitoring plan (continued)	HMMP template and incorporate all applicable items on the accompanying checklist	Please see above	Please see above
Agreement to share biological records	<p>Applicant must agree to submit all biological records from the habitat bank to Cumbria Biodiversity Data Centre (CBDC). Records to be submitted by applicant and include habitat mapping, monitoring data and species records. HMMP must indicate when records would be submitted.</p> <p>Sharing of biological data will help to monitor implementation of the Cumbria LNRS</p>	<ul style="list-style-type: none"> • Applicant must indicate on the application form that they are willing to share all biological data with CBDC. • Spatial data must be provided in georeferenced data format e.g. .shp or .gpkg 	<p>Cumbria Biodiversity Data Centre</p>

Stage 2 – Legal Agreement

Requirement	Guidance Note	Evidence Required	Key References
Costed habitat management and monitoring plan	HMMP updated to include accurate costings for proposed management and monitoring activities	All detailed applications must provide a costed HMMP	Not applicable
Roles and responsibilities	<p>Applicants must indicate who will be responsible for:</p> <ul style="list-style-type: none"> Enhancing and/or creating the habitats set out in the biodiversity metric and HMMP; Maintaining and managing the habitats set out in the biodiversity metric and HMMP; and Monitoring the habitats set out in the biodiversity metric and HMMP <p>All parties to outline their competence to undertake such activities and provide experience and examples of similar activities undertaken previously</p>	<ul style="list-style-type: none"> The legal agreement template must be populated with the appropriate roles and responsibilities details The costed HMMP must outline the competency of all parties involved in carrying out habitat enhancement, creation, management and monitoring 	<ul style="list-style-type: none"> BS 8683:2021 Process for designing and implementing Biodiversity Net Gain Specification See ecological competencies above (for monitoring)

Requirement	Guidance Note	Evidence Required	Key References
Cash flow and funding	Provision of appropriate information to enable confidence in funding model for initial capital works and subsequent management of the habitats.	Financial information to demonstrate that capital costs can be met and sufficient funds in place to manage and monitor the land for 30-year period to be included in a written statement	Not applicable
Sales recording and accounting	<ul style="list-style-type: none"> • Applicants must provide details of any phasing of biodiversity unit sales and include a plan showing spatial plan showing how where the phase areas are located within the habitat bank. • Applicants must also provide detailed procedures for: <ul style="list-style-type: none"> • Recording sales. • Entering allocations on the on the national biodiversity gain sites register. • Reporting sales and allocations to the council 	<ul style="list-style-type: none"> • Processes and procedures for Recording sales, Entering allocations on the on the national biodiversity gain sites register and reporting sales and allocations to the council. • Details of any phasing of unit sales to be set out in a written statement. • Spatial plan of phasing to be provided, if planned 	<ul style="list-style-type: none"> • Sell biodiversity units as a land manager - GOV.UK • National Biodiversity Gain Sites Register

Requirement	Guidance Note	Evidence Required	Key References
Sales recording and accounting (continued)	Applicants to indicate at what spatial scales they intend to sell units with reference to the spatial risk scores set out in the latest version of the Statutory Biodiversity Metric and accompanying User Guide	Please see above	Please see above
Agreement to monitoring fee	Applicants must pay the council the agreed monitoring fee in full on signing of the legal agreement.	Not applicable	Not applicable
Permission to enter land	Applicants must indicate consent that Westmorland and Furness Council staff can enter land to carry out spot checks with 24 hours notice.	Legal agreement	Not applicable
Agreement on breach of management	Applicants must agree an appropriate method for dealing with a breach of the HMMP. May include use of step-in rights or agreement to a bond for larger schemes	Legal agreement	Not applicable