

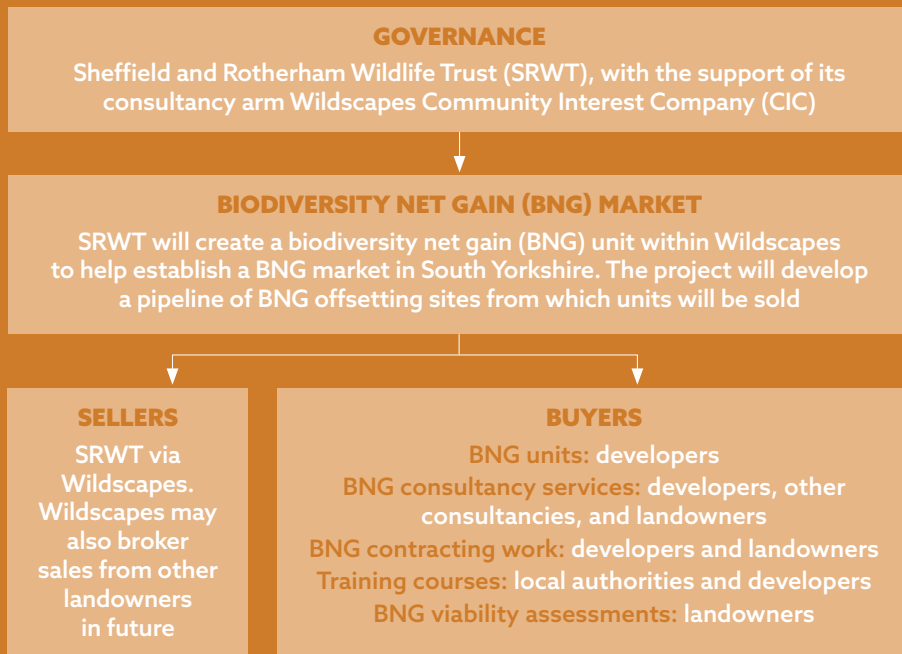
This is one of a suite of case studies of NEIRF funded projects, to highlight efforts to protect and enhance the natural environment, while generating revenue from ecosystem services.



Ughill, South Yorkshire
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DEVELOPING A BIODIVERSITY NET GAIN MARKET IN SOUTH YORKSHIRE

HIGH LEVEL SUMMARY OF PROJECT



Habitat and geographical location

-  Urban/peri-urban environments
-  Enclosed farmland
-  Woodland
-  Semi-natural grassland

 Five pilot sites across three local planning authorities: Sheffield City Council, Rotherham Metropolitan Borough Council, and the Peak District National Park Authority

PROJECT OVERVIEW

Rotherham, Sheffield, and South Yorkshire more broadly, have seen an ongoing decline in the ecological condition of important habitats and the loss of once thriving species. Ancient woodlands, semi-natural grasslands, peat bogs and moorlands have been lost due to building development, agricultural intensification, and a lack of sustainable management practices.

To offset the impact of development on the natural environments within South Yorkshire, Sheffield and Rotherham Wildlife Trust (SRWT) have used the NEIRF funding to develop a financial model that will generate revenue from selling biodiversity net gain (BNG) units to developers and BNG consultancy services to developers, landowners, government bodies and other consultancies. SRWT strategically selected sites based on location, habitat type, and habitat condition to ensure that there are a range of BNG units available for purchase. The five sites will form an initial pipeline from which BNG units will be sold to developers.

The NEIRF funding was used to:

- Conduct BNG baseline assessments on five different sites to assess their potential for BNG offsetting and to calculate the number of BNG units that each site could provide. Assessments were carried out using UK Habitat Classification and Modular River Survey techniques.
- Develop maintenance options for each site to ensure the best possible outcomes for habitats.
- Increase SRWT's capacity by recruiting a dedicated BNG development officer. The officer oversaw the entirety of the NEIRF project and was responsible for developing a sustainable BNG business model.
- With expert support, develop legal agreements between landowners, developers, and local planning authorities that outline how site interventions will be delivered, managed and monitored. The agreements will ensure sites are suitable for BNG site registration and encourage their effective protection over a 30-year period.

Once legal agreements are confirmed with the local planning authority, SRWT will register its sites for BNG purposes to put units on the market, with initial demand expected to come from developers wanting to meet mandatory BNG regulations.

GOVERNMENT ENVIRONMENTAL GOALS

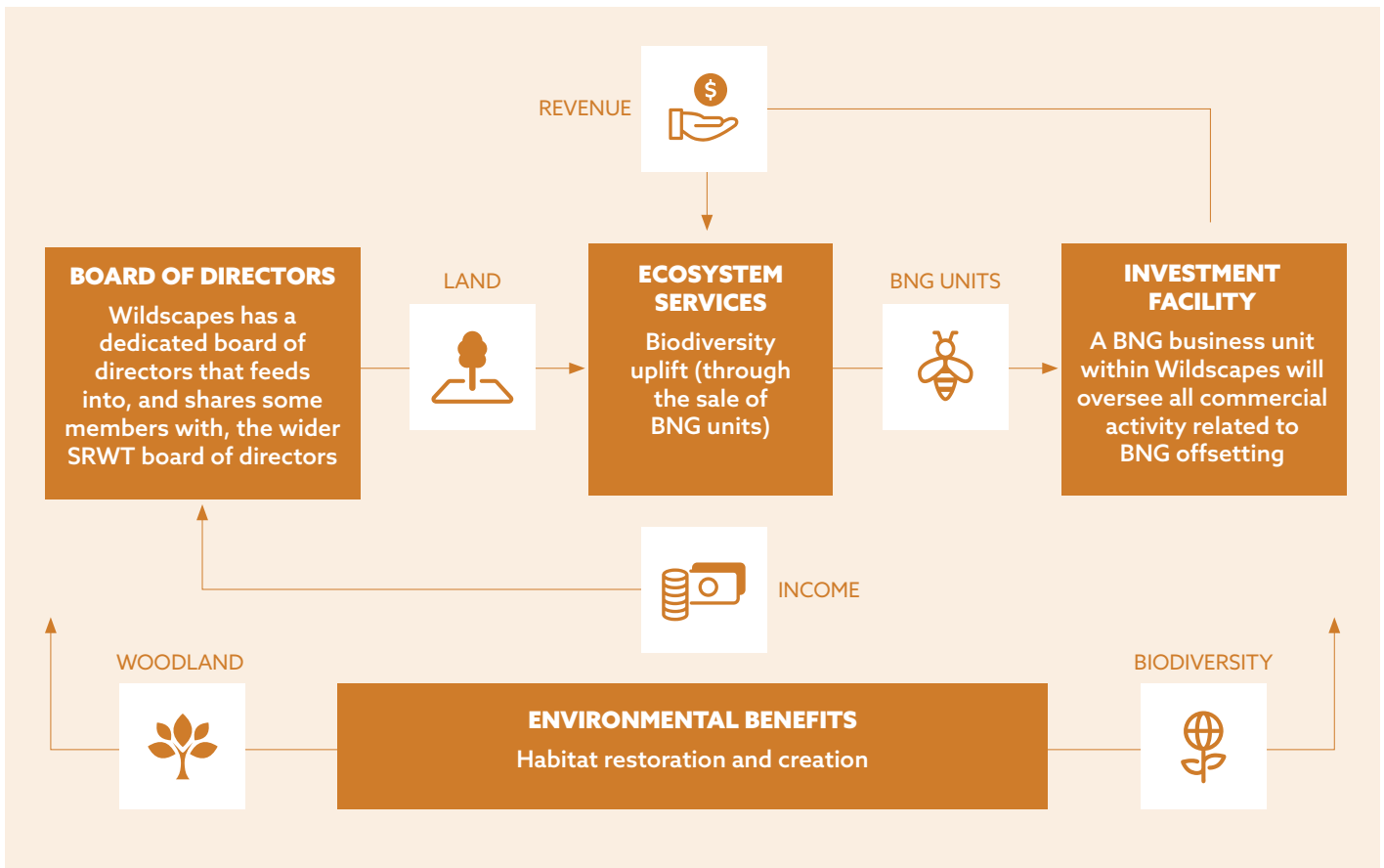


Thriving plants and wildlife

A pipeline of protected BNG sites in selected woodlands will **reverse the loss of plant and animal life caused by development in nearby areas**. For example, in Greno Woods, woodland will be restored from an intensive conifer plantation to a native broad leaf woodland via restocking and natural regeneration. **This will support a diversity of species** such as nightjar, rare shining guest ants, and native common bluebells.



OPERATING MODEL



SRWT has created a BNG Hub as a new business unit within Wildscapes to oversee all BNG work and revenue generation. Wildscapes, as a Community Interest Company (CIC), enables SRWT to engage in commercial contracts across the UK. To support the BNG Hub, Wildscapes will draw on its existing clients and links within the sector, and across multiple regions, speeding up the model development time and fast-tracking commercial opportunities. It is estimated that the BNG Hub will break even within the first year and then start making a profit.

The revenue model for the project is centred on selling BNG units from the five baselined sites. Additionally, Wildscapes will sell consultancy work (e.g., baselining, report writing, pricing, and habitat management plans) to developers and landowners. SRWT will also offer training courses to local authorities and developers, financial support for landowners looking to gauge financial viability for BNG offsetting, and site viability assessments to determine scope for BNG units.

Revenues from this work, together with revenues from the sale of BNG units, will be directly reinvested into the creation and management of habitats, invested back into the Wildscapes business, or into the wider charitable work of SRWT. Moving forward, Wildscapes may adopt a brokering role with other landowners selling BNG units to generate additional revenue.

INNOVATION

Though the project shares some elements with other offsetting schemes, it is one of the first to develop a viable business model to sell BNG units and consultancy services to reverse environmental damage caused by development.

SRWT's ecological monitoring framework is innovative and this is the first time that it will be used to monitor BNG units. The framework, supported by a bespoke database and the '[nature counts](#)' online tool, will ensure that the project demonstrates biodiversity improvements over time.



LEARNING POINTS

- **Share knowledge with similar projects:** BNG offsetting is new, as is BNG regulation in England. Sharing knowledge with those developing similar projects is essential to conduct a successful project, for example at events as part of the NEIRF community of practice, or by proactively engaging with contacts from other Wildlife Trusts.
- **Plan carefully:** as the project is working with new regulations, there are many unknowns. It is important to allow for extra time for communication and liaising with other parties (e.g., Local Planning Authorities).
- **Thoroughly consider financing options:** there are many elements to establishing financing for a 30-year period. This can include baselining entire sites, determining maintenance requirements throughout the period and developing suitable legal agreements between developers, landowners and local planning authorities. It is important to consider each element to ensure accurate product pricing.
- **Communicate clearly with landowners:** BNG unit development and offsetting is a complicated topic. It is important to explain each to potential landowners. To support with this, SRWT employed marketing strategies throughout the project including flyers, social media content and a detailed and easy to use website for developers and landowners to find out more about BNG (including how to register interested to supply land for offsetting).
- **Build in time to recruit the relevant expertise:** recruiting a BNG Development Officer was more difficult than expected due to the specialised skills required and the developing nature of the market, which led to delays and challenges in project planning.
- **Baseline sites in the correct season:** it is important to ensure that baselining surveys of selected sites are conducted within an optimal survey season.

OTHER WORK RELATED TO THE PROJECT



**Sheffield &
Rotherham**
Wildlife Trust

The Sheffield and Rotherham Wildlife Trust Test and Trial engaged upland farmers in the Sheffield Peak District to explore how a combination of public and private funding could support farmers in managing their farms to deliver enhanced public benefits and biodiversity. More information [here](#).

WOULD YOU LIKE TO KNOW MORE?

If you would like to learn more about the Developing a BNG Market project, please get in touch with Jihanna Bonilla-Allard, BNG Development Officer at SRWT at j.bonilla-allard@wildsheffield.com. For questions regarding NEIRF, please contact DEFRA's project manager NEIRF@environment-agency.gov.uk.

This case study was produced by Ecorys.