



# **BNG Habitat Banking**

## **Criteria**

**January 2025**

**Introduction**



**Chorley**  
Council

WORKING TOGETHER

Chorley Borough Council (CBC) and South Ribble Borough Council (SRBC) have set out criteria throughout this document that are to be submitted alongside an application for the establishment of a Habitat Bank in the respective borough. The information submitted to evidence that the criteria are met will allow the council to assess whether the proposed Habitat Bank is suitable and achievable, allowing the respective council to consider entering a legal agreement (Section 106) between the council and the habitat bank provider.

## Legal Agreement

A legal agreement (Section 106 or Conservation Covenant) is required to secure a habitat bank for the purposes of Biodiversity Net Gain (BNG), enabling the habitat bank and the Biodiversity Units generated to be added to Natural England's Biodiversity Gain Sites Register<sup>1</sup>. This Register allows Biodiversity Units to be allocated to developments, providing off-site units. The council(s) are able to enter a Section 106 agreement with parties (e.g. landowners and / or habitat bank providers) to secure land as a habitat bank for BNG purposes. For information on Conservation Covenants and Responsible Bodies, refer to Government BNG Planning Practice Guidance<sup>2</sup>.

The legal agreement (Section 106) with the respective council to establish a Habitat Bank will secure the following:

- The responsible person(s) for the creation and/or enhancement of habitats
- The responsible person(s) for the maintenance, management and monitoring of the habitats
- The contents of a Habitat Management and Monitoring Plan (HMMP)<sup>3</sup> and the delivery of the HMMP, including the Commencement Date and Covenant Period (to be at least 30 years from the Completion Date)
- Requirement of a Written Notice of the Completion Date of the works
- A site visit to be carried out by an agent of the council(s) to inspect the habitat creation and enhancement works within 30 days following receipt of the Completion Date Notice
- Site visits to be carried out by an agent of the council(s), including access rights, to evidence habitats are meeting their target condition during the Covenant Period
- Fees to be paid to the council(s) for the preparation of the legal agreement
- Fees to be paid to the council(s) for the review of submitted monitoring reports, and site visits over the duration of the Covenant Period (Monitoring Contribution)
- When fees are due to be paid to the council(s)
- Details of a Breach Notice and Step-in-Rights of the council(s) in the event of non-compliance with the legal agreement (e.g. target conditions of habitats are not met)
- Act of Registration (a requirement for the habitat bank provider to register the habitat bank onto the Biodiversity Gain Sites Register)

<sup>1</sup> [Search the biodiversity gain sites register - GOV.UK \(www.gov.uk\)](https://www.gov.uk/search-the-biodiversity-gain-sites-register)

<sup>2</sup> [Enter a legal agreement for biodiversity net gain - GOV.UK \(www.gov.uk\)](https://www.gov.uk/enter-a-legal-agreement-for-biodiversity-net-gain)

<sup>3</sup> [Creating a habitat management and monitoring plan for BNG - GOV.UK \(www.gov.uk\)](https://www.gov.uk/creating-a-habitat-management-and-monitoring-plan-for-bng)

## Habitat Bank Proposal Application Stages

The application process for establishing a habitat bank within the Chorley or South Ribble Boroughs will follow Stages 1 to 3. Each stage is subject to a fee to cover administration and application review costs.

### ***Stage 1 (Fee to be agreed following submission of proposal):***

Stage 1 comprises the initial enquiry from the habitat bank (HB) provider to the council and should present the outline proposals of the habitat bank to allow the council(s) to assess if the proposals can be taken any further. The HB provider is to provide the following information at Stage 1; if any information has not been provided, the council(s) reserves the right to refuse consideration of the habitat bank proposal, until all documentation is supplied:

<b>Stage 1</b>		
<b>Information Requirements</b>	<b>Recommended Documents &amp; Guidance</b>	<b>Completed?</b>
<p><b>1. <u>Legal Control Over Land Ownership</u></b> The applicant is to provide proof of legal control over the entire site proposed to be a habitat bank, including details of any conditional contract, and evidence that conditions can be satisfied.</p> <p><b><u>For Tenant/Leasehold Considerations</u></b> Details of any leasehold agreement or tenancy agreement or any other contract that enables the habitat bank broker to deliver BNG on this land for a minimum of 30 years. <i>The habitat bank broker or landowner needs to be able to place a charge on the land.</i></p>	<p>Land Registry Title deed and plan of the land boundary from owner</p> <p>Charges register of title and plan</p> <p>Copy of Leasehold Agreement</p>	<input type="checkbox"/>
<p><b>2. <u>Declaration of Existing Allocations</u></b> Have any Biodiversity Units (BU) been allocated to developments prior to this application? <i>Including any BU allocation prior to mandatory BNG, that is not included on the Biodiversity Gain Site Register</i></p>	<p><b><u>If Yes</u></b>, please provide relevant planning application references and details of allocated units</p> <p><b><u>If No</u></b>, please provide a statement to declare that no BUs have been allocated from the proposed habitat bank site.</p>	<input type="checkbox"/>
<p><b>3. <u>Declaration of Conflicting Consents, Licences or Permissions</u></b> <i>Are there any other legal barriers or consents / licences or permission that are required to enter the site and undertake habitat management works over the next 30-years?</i></p>	<p>Statement of no conflicting consents are known, and reasonable checks have been undertaken; or</p> <p>If Yes, please provide details of any licences (for example, not an exhaustive list): shooting or mineral working rights, planning permissions, extant restoration plans, felling licences, aerodrome safeguarding considerations, rights of way issues.</p>	<input type="checkbox"/>

Stage 1		
Information Requirements	Recommended Documents & Guidance	Completed?
<p><b>4. <u>Contaminated Land</u></b></p> <p>Is the site considered to be 'contaminated land' and if so, what costing remediation measures are provided to ensure habitats proposed are feasible?</p>	<p>Costed remediation plan if required or, statement confirming not required</p>	<input type="checkbox"/>
<p><b>5. <u>Declaration of willingness to enter a legal agreement with the council(s)</u></b></p> <p><i>Based on the council(s) Habitat Bank template Section 106; to agree the number / type of biodiversity units available for allocation to developments and the management and maintenance schedule of the land for the duration of the Covenant Period from the Completion Date.</i></p>	<p>Statement of intent; and</p> <p>Written consent from owner to broker to act on their behalf, and decision on who is a signatory of the Section 106 agreement (where provider is not the freeholder)</p>	<input type="checkbox"/>
<p><b>6. <u>Declaration of Additionality</u></b></p> <p>Can you prove Legal, Financial &amp; Ecological Additionality for the BNG at the proposed site?</p> <p><b>Financial additionality</b> includes other funds for land management e.g. environmental stewardship, nutrient mitigation etc.</p> <p>Do you intend to sell other ecosystem service units from the land?</p> <p><i>Outline how you intend to stack and bundle any Nature market credits including Biodiversity Units in line with Best Practice Guidance</i></p>	<p>Written confirmation of proof of additionality principles and compliance with stacking and bundling rules in line with guidance.</p> <p><b>Relevant guidance</b></p> <p><u><a href="#">Nature markets: publishing.service.gov.uk</a></u></p> <p><u><a href="#">Combining environmental payments: biodiversity net gain (BNG) and nutrient mitigation - GOV.UK (www.gov.uk)</a></u></p> <p><u><a href="#">What you can count towards a development's biodiversity net gain - GOV.UK (www.gov.uk)</a></u></p>	<input type="checkbox"/>
<p><b>7. <u>Location Plan</u></b></p> <p>A location plan of the entire site to be provided</p>	<p>Map to be provided; if a GIS layer / shapefile of the site boundary is available, please provide (GIS not essential for Stage 1)</p>	<input type="checkbox"/>
<p><b>8. <u>Strategic Significance Statement</u></b></p> <p>Please provide an assessment of how the proposals fit the current strategic significance guidance</p>	<p>A written brief assessment including justification evidencing how the Strategic Significance of the site and proposed habitats have been considered.</p> <p><b>Guidance</b></p> <p><i>Refer to the latest BNG User Guide. And the Lancashire LNRS, once published (Spring 2025)</i></p>	<input type="checkbox"/>

Stage 1		
Information Requirements	Recommended Documents & Guidance	Completed?
<p><b>9. Declaration of Best Outcome for Nature</b></p> <p>The council(s) will only enter a legal agreement with habitat bank providers where it is considered that the Habitat Bank will deliver the best outcome for biodiversity in the borough(s)</p>	<p>Statement to declare how the proposed scheme has considered existing biodiversity, site context, strategic significance and the appropriateness of proposals, and how the proposals are in the best interests of local biodiversity.</p> <p><i>Consider existing local protected species and ecologically valuable habitats.</i></p>	<input type="checkbox"/>
<p><b>10. Ecological and BNG Baseline</b></p> <p>Provision of a BNG baseline and condition assessment survey of the entire site by a suitably qualified and competent ecologist, carried at an appropriate time of year. In accordance with CIEEM best practice guidance using UK Habitat Classification methodology and the latest version of the Defra Statutory BNG Metric and accompanying tools and user guides</p>	<p>Baseline Biodiversity Net Gain Report; Preliminary Ecological Assessment (PEA) Report; baseline Statutory Biodiversity Metric and supporting Condition Assessment spreadsheets; with UKHab maps of the site baseline.</p> <p><i>Can be included as part of the full BNG assessment required below.</i></p>	<input type="checkbox"/>
<p><b>11. Proposed BNG Uplift</b></p> <p>Full completed BNG metric for the site (or phase for which BUs are to be released, using the latest statutory BNG Metric; with condition assessments to evidence how target conditions will be achieved</p>	<p>Full Biodiversity Net Gain Report; completed full statutory Biodiversity metric and supporting Condition Assessment spreadsheets for both baseline and post-intervention habitats; with UKHab maps of baseline and proposed.</p>	<input type="checkbox"/>
<p><b>12. Soil Testing</b></p> <p>Has appropriate soil testing been carried out in accordance with best available guidance<sup>4</sup> and the results informed the proposals?</p>	<p>Soils reports, and statement to declare the suitability of soils for proposed habitats.</p>	<input type="checkbox"/>
<p><b>13. Protection of Existing Ecological Features</b></p> <p>Confirmation that the proposals will not adversely impact existing features of ecological importance (e.g. irreplaceable habitats, Biological Heritage Sites (BHSs), Priority Habitats, and Priority and Protected Species)</p>	<p>Details of existing ecologically important features and a declaration of how these have been considered so that adverse impacts will be avoided</p> <p>If positive impacts on the existing ecological features will result from the proposals, details of this should be provided.</p> <p><i>Where included in the PEA and/or BNG report, please state this.</i></p>	<input type="checkbox"/>

<sup>4</sup> Refer to Buckinghamshire Council's Soils Guidance Note in the interim

**Stage 1**

Information Requirements	Recommended Documents & Guidance	Completed?
<p><b>14. Competency</b></p> <p>Details of ecological surveyors/advisors and their competency for carrying out works to support the scheme.</p>	<p>May include detail of professional membership, experience, certification (e.g. FISC level), training and experience.</p> <p><i>Where included in the PEA and/or BNG report, please state this.</i></p>	<div data-bbox="1321 309 1406 387" data-label="Form"> <input type="checkbox"/> </div>

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## Stage 2 (To include monitoring fees determined by the Council's Monitoring Fee Calculator and fees for drafting and signatory of a legal agreement<sup>5</sup>):

Stage 2 sets out the detailed information requirements necessary prior to the drafting and signing of the legal agreement. Completion of Stage 2 and signing of the legal agreement confirms that the proposed Habitat Bank has become 'official' and is to be registered on the Natural England Biodiversity Gain Sites Register.

Stage 2		
Information Requirements	Recommended Documents & Guidance	Completed?
<p><b>15. Sufficient Cash Flow / Funding for 30 years</b></p> <p>The applicant is to provide details of the responsible person(s) / company for the habitat management works for the duration of the Covenant Period. And set out contingency plans should the responsible company fold or go into liquidation within the 30 year period.</p> <p>Provision of proof of funds, including third party bond, guarantee, ring-fenced funds</p> <p><i>Must be sufficient up-front capital to cover entire site or first phase of Habitat Bank (if proposed to deliver in phases) for 30 years of management</i></p> <p><i>Funds must be held for duration of the agreement and held independently for large schemes. An appropriate payment schedule should be set out, required to signing of the s.106.</i></p>	<p>Discuss on a site by site basis</p> <p>Proof of funds may include a 30-year cash flow model, assurance of finance codes and commitment to financial reporting</p> <p>Agree a payment schedule for duration of the legal agreement</p>	<input type="checkbox"/>
<p><b>16. Declaration of Existing Allocations</b></p> <p>Have any Biodiversity Units (BU) been allocated to developments prior to this application? <i>Including any BU allocation prior to mandatory BNG, that is not included on the Biodiversity Gain Site Register</i></p>	<p>If <u>Yes</u>, please provide relevant planning application references and details of allocated units</p> <p>If <u>No</u>, please provide a statement to declare that no BUs have been allocated from the proposed habitat bank site.</p>	<input type="checkbox"/>
<p><b>17. Method of Biodiversity Unit Sale</b></p> <p>Use of 'habitat creation in advance' function, if required</p> <p>Details of phased delivery, if required; with use of a spatial plan</p> <p>Certification / Unique Transaction Number for sale of units; details of method to be set out</p> <p>Will fractions of units available for sale/allocation?</p> <p>Will there be a minimum quantity of unit for sale/allocation?</p>	<p>Discuss on a case by case basis</p> <p>Statement to be provided on the method of sale of units, and how these will be calculated</p>	<input type="checkbox"/>

<sup>5</sup> [Fees and Charges 2024/25 Chorley Council](#); [Fees and Charges 2024/25 South Ribble Borough Council](#)

Stage 2		
Information Requirements	Recommended Documents & Guidance	Completed?
<p><b>18. <u>Sale of units outside the LPA, Central Lancs or National Character Area (NCA)</u></b></p> <p>Will Biodiversity Units be sold to developments outside the respective LPA boundary?  Will Biodiversity Units be sold to developments outside Central Lancashire?  Will Biodiversity Units be sold to developments outside the NCA<sup>6</sup> for which the HB is located?</p>	<p>Statement of intent for unit sale</p> <p><i>The LPA may still consider entering an agreement with the HB provide should a percentage of units be sold outside the LPA, Central Lancs, or NCA.</i></p>	<input type="checkbox"/>
<p><b>19. <u>Monitoring Contribution to LPA</u></b></p> <p>Agree to payment of monitoring contribution to be paid to the council to monitor the establishment of the HB (and phases, as required) and on-going habitat maintenance as agreed over the Covenant Period</p>	<p>Statement of intent to pay the council's monitoring fee</p>	<input type="checkbox"/>
<p><b>20. <u>Habitat Management and Monitoring Plan (HMMP)</u></b></p> <p>Provision of a detailed HMMP with prescriptions for the creation and set-up stage of the HB and the ongoing management for the duration of the Covenant Period (at least 30 years).</p> <p>Date of commencement for creation and set-up stage, and start date for 30-year monitoring phase (once set-up works complete) to be agreed</p> <p>Plans for all proposed habitat creation and enhancements (georeferenced GIS layers to be provided)</p>	<p>Provision of a HMMP</p> <p>Costed management plan</p> <p>Plans showing all habitats proposed for creation and enhancement (including GIS shapefiles)</p> <p>Commencement dates for set-up and monitoring phases</p>	<input type="checkbox"/>
<p><b>21. <u>Consideration of other environmental constraints</u></b></p> <p>Appropriate due diligence to be undertaken with regards to other environmental constraints to achieving the suggested habitat enhancement / creation. For example, suitability of soils, hydrology, historic / archaeological / landscape constraints, Arboricultural constraints, accessibility for site machinery, site storage constraints, livestock management considerations</p>	<p>A check of information is provided, we expect the applicant to submit all information required and to undertake due diligence, the council will not be liable for any missing information that prevents the habitat proposals being delivered as specified</p>	<input type="checkbox"/>
<p><b>22. <u>Monitoring Plan</u></b></p> <p>To set out when HB monitoring surveys will take place at intervals during the Covenant Period, and agree a commencement date for monitoring. HB provider will be responsible for having a suitably qualified ecologist carry out the monitoring surveys and submit monitoring reports to the LPA for review.</p>	<p>Monitoring Plan that sets out dates monitoring will be carried out and reports submitted to the LPA</p>	<input type="checkbox"/>
<p><b>23. <u>Access Rights</u></b></p> <p>Confirmation of permission for access rights for agents of the council(s) to access the HB to ensure management and monitoring is being delivered as promised.</p>	<p>Statement of compliance</p>	<input type="checkbox"/>

<sup>6</sup> [National England - National Character Area Profiles - National Character Area Profiles \(nationalcharacterareas.co.uk\)](http://nationalcharacterareas.co.uk)



Stage 2		
Information Requirements	Recommended Documents & Guidance	Completed?
<b>24. <u>Contingency Prescriptions</u></b> To agree to the LPA having rights to enforce / enact a Breach Notice in event of non-compliance For example, failure to deliver agreed management of habitats and/or targets promised are not delivered	Statement of compliance	<input type="checkbox"/>
<b>25. <u>BNG Best Practice Principles</u></b> Statement of declaration of how the proposed HB meets the 10 key principles of BNG <sup>7</sup>	Justification to be provided in a report / statement of compliance	<input type="checkbox"/>
<b>26. <u>Submission of Biological Records</u></b> All ecological records arising from the HB must be submitted to the Lancashire Environment Record Network <sup>8</sup> (LERN), and be the responsibility of the HB provider and their ecological advisors	Statement of compliance	<input type="checkbox"/>
Stage 3		
<b>27. <u>Preparation and signing into the legal agreement</u></b>		

The above Criteria are not intended to make the Habitat Banking process difficult, but to provide the council confidence that the Habitat Bank can be delivered as proposed, and the proposals are legally, financially and ecologically appropriate.

If you are unsure of how to meet certain criteria or have queries on how best to provide evidence, please contact your local authority.

The Council(s) have no obligation to enter into negotiations or a legal agreement with landowners where the above criteria are met; there is no guarantee that negotiations will ultimately be successful. The Council(s) reserve the right to withdraw from negotiations at any time.

<sup>7</sup> [Biodiversity Net Gain: Good Practice Principles for Development. | CIEEM](#)

<sup>8</sup> [LERN - the Lancashire Environment Record Network - Lancashire County Council](#)