

**FINAL 14 December 2022** (to be deleted before signature)

**Updated with clause 6.2 for Stroud District Council and Gloucester City Council 08 March 2023.**

The MoU is the same in all other respects for all other Gloucestershire Local Planning Authorities (Cheltenham BC, Cotswold DC, Forest of Dean DC, Tewkesbury BC and Gloucestershire CC as Minerals and Waste Planning Authority).

## **Memorandum of Understanding**

This agreement is dated *(Insert)*

### **PARTIES**

- (1) Gloucestershire Nature and Climate Fund Ltd (Company Registration Number 13662489) (GNCF)

#### *Planning Authorities*

- (2) Gloucester City Council (GCC)
- (3) Stroud District Council (SDC)

### **BACKGROUND**

- 1. This Memorandum of Understanding (Mou) outlines the understanding of the parties as to how Biodiversity Net Gain (BNG) funding will be administered by the GNCF for each Local Planning Authority (LPA) in Gloucestershire and the County Council (hereafter referred to as the 'Planning Authorities').**

- 1.1 BNG funding is collected from developments where there is a requirement for off-site biodiversity gain to 'offset' the impacts of the development and deliver a net gain for biodiversity.**

- 2. If following best practice principles in its application, BNG legislation and local planning policy offers the opportunity to strategically create and improve natural habitats in the right places and restore nature's network across Gloucestershire. In addition to improving and enhancing biodiversity, a range of multiple benefits and ecosystem services can be delivered at the same time to the local communities of Gloucestershire.**

- 2.1 BNG payments will be brokered to landowners by GNCF to support restoration, improved management of habitat or habitat creation, sufficient to deliver the required number of biodiversity units to support planning applications. GNCF is building a pipeline supply of BNG units across Gloucestershire. The land providing BNG uplift will be privately owned or owned by one of the Gloucestershire Planning Authorities, or owned by another public body. In designing and allocating BNG monies the GNCF will follow the Good Practice Principles and associated guidance (CIEEM, CIRIA and IEMA, 2016 and 2019) and use the following broad criteria to assess projects submitted. Projects likely to be successful are those that can demonstrate that:**

- the proposed works demonstrate additionality;

- the project makes a significant contribution to the Nature Recovery Network (and/or forthcoming Local Nature Recovery Strategy);
- they make important connections between existing priority habitats and/or within or near to the Nature Recovery Network (NRN);
- they are aimed at extending, linking, buffering, or protecting nationally or locally designated sites. These include statutory conservation sites such as Special Areas of Conservation (SAC), Sites of Special Scientific Interest (SSSI) (where this does not invoke additionality), and non-statutory conservation sites such as Local Nature Reserves (LNR), Local Wildlife Sites (LWS), ancient woodland and the NRN;
- the project(s) are aimed principally at extending the area of well managed and appropriate habitat and buffering it from the harmful effects of other land uses;
- the project provides significant habitat enhancements to habitat networks within the vicinity of the site impacted by the development;
- the project(s) can deliver other ecosystems services and green infrastructure aspirations

**3. The Gloucestershire Planning Authorities will direct Developers that require off-site biodiversity net gain units to local opportunities for purchase of those units at the pre-application stage of the planning process, with trusted suppliers such as GNCF.**

**4. All the suppliers and purchasers of BNG units will be required by GNCF to comply with the following criteria:**

- 4.1 All suppliers will be required to provide full details of the habitat creation/restoration methodologies to be used. In addition, suppliers will be expected to provide details of how success will be monitored, or remedies put in place over an agreed timescale, in addition to GNCF's monitoring programme.
- 4.2 All projects will be required to provide a biodiversity net gain management plan or landscape and ecological management plan, outlining how the site will be managed and a commitment to managing the site for biodiversity over a 30-year period. The contract will take the form of a conservation covenant between GNCF and the supplier.
- 4.3 Details of any additional benefits such as improved countryside access, improved ecosystem services, opportunities for outdoor education and interpretation.
- 4.4 The purchasers of biodiversity net gain units will be required to demonstrate, using an independent provider that they have made best endeavours to retain any habitat provision on site, before requiring purchase of off-site BNG units, as per the mitigation hierarchy.

**5. Managing BNG funding:**

- 5.1 GNCF confirms that BNG funding will be accounted for per Planning Authority, allowing for clear audit trails of expenditure.
- 5.2 BNG funding allocations may be matched with other BNG funding or other grant funds to support larger, more strategic projects. For example, it is permitted to stack BNG and Habitat Regulations Assessment funding for Suitable Alternative Natural Greenspace. Bundling and stacking will be allowed in accordance with government guidance/regulations.

5.3 GNCF is a not-for-profit organisation and will charge a broker's fee, initially trialling 15-20% of final BNG unit transactions, to cover the business running costs. This fee covers the full service provided, including promotion of the availability of the fund, working with partners to develop project ideas, processing applications from offset providers, project assessment, scrutiny by the GNCF Project Board(s), supporting the delivery of the projects and ongoing monitoring against the agreed management plan.

5.4 GNCF seeks opportunities to work with other organisations with expertise and local knowledge to assist with matching of funds and the strategic allocation of funds.

## **6. Geographical area of allocation:**

6.1 In the initial years of establishment (2022-2025) GNCF will use reasonable endeavours to keep the purchase and sale of BNG units within the same Local Planning Authority as the development site that requires them. Beyond that there may be a need to secure biodiversity net gain agreements across Planning Authority boundaries, depending on supply of BNG units available in each Planning Authority and the locality of the development requiring off-site biodiversity net gain.

6.2 Where relevant, GNCF will support the Planning Authority's aims in placing offsite biodiversity units within green infrastructure nearest to the development site, or if that is not possible, within the nature recovery area nearest to the development site.

6.3 GNCF will look to establish working relationships with the Planning Authorities in Herefordshire, Monmouthshire, Worcestershire, Oxfordshire, and South Gloucestershire to ensure that any cross-boundary BNG arrangements can be made equitably.

## **7. BNG transactions:**

7.1 A BNG planning condition can require a developer to prove that they are able to deliver (directly or through a third party such as GNCF) the required off-site biodiversity net gain units (BNG). GNCF acts as a provider of BNG units and monies can be paid direct to GNCF by the developer to deliver the necessary net gain requirements and comply with the planning condition. GNCF aims to hold a conservation covenant with the landowner to enable the transaction of BNG units. GNCF will provide evidence to the Planning Authority that the BNG scheme has been delivered and is being monitored.

## **8. Reporting and monitoring procedures:**

8.1 The Planning Authorities of Gloucestershire will be represented at senior officer level on GNCF BNG project boards.

8.2 Each GNCF off-site BNG project will be subject to an agreed monitoring and compliance procedure.

8.3 Once funds have been allocated to a BNG unit supplier (landowner), the BNG unit provider will report regularly to GNCF over an agreed time frame on project progress.

8.4 GNCF will provide annual reports summarising biodiversity net gain projects for each Planning Authority signatory to this agreement. The information will be held on a GNCF

register of offsite BNG and provide the required information for the National government off-site BNG register.

8.5 This MoU will be reviewed by GNCF once the government has released secondary legislation on biodiversity net gain to ensure that this document is still compliant.

**9. Status**

9.1 This MoU is not intended to be legally binding, and no legal obligations or legal rights shall arise between the parties from this MoU. The parties enter into the MoU intending to honour their obligations.

**10. Signatures**

Signed by: \_\_\_\_\_

Position: \_\_\_\_\_

**On behalf of GNCF**

**On behalf of Gloucester City Council**

Signed by: \_\_\_\_\_

Position: \_\_\_\_\_

**On behalf of Stroud District Council**

Signed by: \_\_\_\_\_

Position: \_\_\_\_\_