



Biodiversity Credits

What are Biodiversity Credits?

Biodiversity credits are an off-site solution for projects which cannot achieve Biodiversity Net Gain (BNG) on-site. They are a contribution to wider conservation in order to compensate for the loss of biodiversity on-site.

You will be required to purchase biodiversity credits if your project has not achieved 10% net gain on-site or if the trading rules of the biodiversity metric have not been satisfied.

There are three types of credits for the different habitat categories in BNG; A credits for Area habitats, H credits for Hedgerows, and W credits for Watercourses.

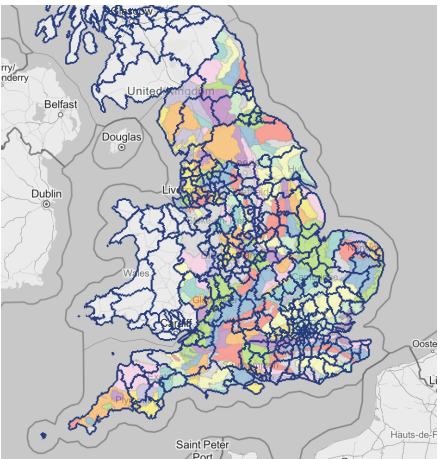
How many credits are needed?

Once your ecologist has filled in the biodiversity metric for your site, you will know your unit shortfall. Units are the measurement for evaluating biodiversity.

One unit does not always equal one credit. The biodiversity metric incentivises off-site gains close to your site. Credits bought in areas further away from your site will be worth less than credits bought in the same area as your site.

A spatial risk multiplier is therefore applied to the unit shortfall depending on the location of the chosen BNG Credit Provider.

- Where the provider is located within the same National Character Area (NCA) or Local Planning Authority (LPA) as the site, no spatial risk multiplier is applied.
- Where the provider is located within a neighbouring NCA or LPA, a 1.5x multiplier is applied.
- Where the provider does not fit into either of the above categories, a 2x multiplier is applied.



A map of NCAs and LPAs in England can be found here: <https://nationalcharacterareas.co.uk/>

Your ecologist will have laid out your unit shortfall in your BNG Assessment Report. You can also view it within the metric on the 'Unit Shortfall Summary' tab, though please note those values automatically have a 2x spatial risk multiplier applied.

Unit Shortfall by Tier/Module	
Tier	Unit Shortfall
A1	0.00
A2	0.00
A3	0.00
A4	0.00
A5	0.00
H	0.00
W	0.00
*The spatial risk multiplier has been applied to all unit shortfall values.	

Where a unit deficit is present in more than one habitat category (A, H or W), individual credits will need to be purchased for each category. There are five tiers within the Area habitats category (A1-A5) to reflect the value of the habitat, whilst there's only one tier in each of the Hedgerow and Watercourse categories



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Cost of credits

Credits can be purchased either from a registered Biodiversity Provider or from the government. Government credits (statutory biodiversity credits) can only be purchased if the applicant is unable to purchase credits from a registered Biodiversity Provider. For statutory biodiversity credits, developers need to buy 2 credits from Natural England for each BNG unit required (i.e. a 2x multiplier is automatically applied).

The cost of Hedgerow credits and Watercourse credits is a set value per credit. The cost of Area habitat credits varies on the tier of credit, with A1 habitats costing the least and A5 habitats costing the most.

The costs of Statutory Credits can be found here:

<https://townsendcharteredurveyors.co.uk/environmental-services/biodiversity-net-gain/statutory-biodiversity-credits-indicative-price-list-27-7-2023/>

This is a tool to identify the total cost of Statutory Credits for a site:

<https://manage-biodiversity-gains.defra.gov.uk/credits-estimation/credits-tier>

When to purchase credits

The purchase of credits from a specific provider, and the details of this transaction (i.e. number of credits required, total amount paid), needs to be agreed prior to obtaining planning permission. The purchase of these credits is agreed via a Section 106 agreement.

The actual purchase of these credits is not required prior to obtaining planning permission. The purchase of credits will often become a pre-commencement condition.

Helpful Links

The links below are for websites which contain databases of Registered Biodiversity Providers within England.

<https://www.futurehomes.org.uk/biodiversityunitfindermap>

<https://www.bngfinder.co.uk/>

<https://environmentbank.com/biodiversity-units/habitat-bank-bng-network/>

<https://www.gov.uk/guidance/make-off-site-biodiversity-gains-as-a-developer#why-developers-may-need-to-make-off-site-gains>