

BNG Briefing

YOUR THREE-PAGE GUIDE TO KEY NEWS IN THE BIODIVERSITY NET GAIN SECTOR

Escrick NSIP project breaks new Biodiversity Net Gain ground

CLM has played a key part in a groundbreaking Biodiversity Net Gain (BNG) agreement between a pioneering estate and an infrastructure company.

Escrick Park Estate has been appointed by National Grid to deliver offsite BNG for Yorkshire GREEN, as part of the electricity company's Nationally Significant Infrastructure Project (NSIP) to upgrade the network, increase capacity and deliver cleaner energy.

The landscape-scale nature recovery initiative involves restoring and reconnecting habitats around Skipwith Common National Nature Reserve between York and Selby, providing the utility firm with about 300 biodiversity units.

It's part of an ambitious vision at the diversified rural estate to create a habitat bank of over 1,000 BNG units, through a mix of habitats including lowland fen, ponds, wet and dry grassland, reedbeds, wet woodland, scrub and heathland.

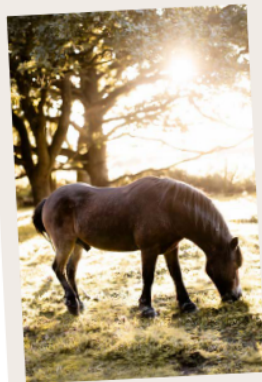
"We believe this is the first big BNG agreement signed for

an NSIP although, as part of its commitment to the environment, Yorkshire GREEN actually committed to achieving the 10% BNG voluntarily prior to it becoming mandatory for NSIPs," says CLM Director Anthony Weston.

"We've been fortunate to have had the opportunity to help shape and implement Escrick's long-term vision. We've worked up a robust Habitat

Management and Monitoring Plan (HMMP), undertaken investment appraisal work, helped secure the Conservation Covenant with the 'Responsible Body' HF Environmental, and placed the site on the BNG register.

"We've also represented the Estate in commercial discussions and negotiations with National Grid. Part of our role was to help National Grid understand what was – and wasn't – possible and to shape a proposal that suited their needs. In small BNG agreements, →





CREDIT: RUBY CUBE (RENDERS); HERMIONE MCCOSH (IMAGES)

some buyers may want no involvement beyond simply buying the units, but in a deal of this scale it's in both parties' interests to develop a real partnership, so we have helped Escrick and National Grid develop a strong collaborative relationship," adds Anthony.

According to CLM's Senior Advisor Tristan Price, the deal is groundbreaking in a number of ways – not least because of its structure incorporating "milestone payments" which will be triggered at key points during the project's evolution.

"We agreed what these milestones will be and set up an Escrow account, managed by an independent specialist, so the Estate can be totally confident the money would be paid when it hits these targets. Usually in BNG deals, payment is 100% up-front, but it was necessary to turn the key on such a huge, transformational deal for the Estate.

"We helped devise the



“
AS PART OF REPRESENTING
OUR CLIENT, WE
HELPED NATIONAL GRID
UNDERSTAND WHAT
THEIR RISKS WERE AND
HOW ESCRICK MIGHT
HELP THEM MANAGE
THOSE.”

TRISTAN PRICE
CLM Senior Advisor

negotiating strategy for Escrick, which enabled it to offer the buyer a one-stop-shop solution. It's a deal that gives the provider the confidence to invest the necessary capital in the project because they now have an 'anchor' buyer.

"As part of representing our client, we helped National Grid understand what their risks were and how Escrick might help them manage those. To get the deal over the line, we even investigated potential insurance options to mitigate National Grid's perceived risk.

"We also offered National Grid a 'bundle' price, which made it easier for them to understand and, therefore, reassure themselves they were being offered a competitive price. Our detailed financial analysis meant we understood the investment required to get the project off the ground and National Grid recognised this as a strong and sound investment proposition. Escrick will have an additional 700 →



or so units to sell, and it's envisaged these will be acquired by a mixture of large and small buyers."

Farmers and landowners entering BNG agreements with other NSIP projects, whether they be solar farms, wind farms or long-distance water pipelines, will encounter layers of complexity and commercial challenges unlike those typical in smaller deals, points out Tristan.

"It's likely those big organisations will want bespoke solutions, rather than off-the-shelf deals. We now understand how to conceive and structure huge transactions and have an insight into the needs of BNG providers and buyers of all sizes."

Mark Hewitt, Conservation Lead at Escrick Park Estate, says: "There has been a growing sense that short-term funding streams only enable nature to stand still in the face of the biodiversity decline. The creation of a regulated biodiversity market has afforded the estate the opportunity to reverse the trend by entering into a long-term funding agreement to help it achieve its aims of being a



RESTORING AND RECONNECTING HABITATS AROUND SKIPWITH COMMON NATIONAL NATURE RESERVE WILL HELP PROTECT THIS PRECIOUS SITE FOR GENERATIONS TO COME."

MARK HEWITT

Conservation Lead at Escrick Park Estate

forerunner in reversing the trend of biodiversity loss and protecting Skipwith Common, the gem at the core of its landholdings.

"Escrick Park Estate will connect more than 450 hectares of habitat, while respecting public access and engaging with local communities through education and volunteering.

"We are extremely excited to have partnered with National Grid to deliver this offsite BNG. Restoring and reconnecting habitats around Skipwith Common National Nature Reserve will help protect this precious site for generations to come."



CLM is a land, business and property management consultancy.

It helps clients protect and grow their income and assets, improve their quality of life and create sustainable legacies. The 20-strong team includes land agents, business consultants, planners, valuers, environmental experts, agriculturalists, ecologists and property experts. From its headquarters in East Sussex, it supports clients nationwide as varied as family farms, landed estates, property developers, international investors and viticulturists. It offers a range of services relating to BNG and natural capital. As experts on the ecosystem services market and environmental schemes, the knowledge and insight of its consultants is frequently sought by journals such as Farmers Weekly, the Financial Times, Property Week and Inside Housing.

"CLM has evolved over the years into a sector-leading consultancy"

SOUTH EAST FARMER

Sackville House,
Sackville Lane,
Hartfield,
East Sussex
TN7 4AV

To reach CLM's team of BNG specialists, please contact Anthony Weston in the first instance:

anthony@c-l-m.co.uk
01892 770339
07780 711370