

BE PROACTIVE IN GROWING BNG MARKET

The market for biodiversity net gain (BNG) is rapidly emerging, heralding a potentially lucrative opportunity for farmers and landowners.

Estimates of the total annual BNG requirement vary widely. Some reports are suggesting 7,000 'units', while others put it at 7,000ha, an area that has the potential of generating between 20,000 and 40,000 'units'.

We're already seeing demand growing and deals being done, even though BNG is not set to become mandatory under the Environment Act until November 2023.

For some farmers, it might be a case of providing, say, three to six 'units' of BNG as a way of supplementing their income, but it's perfectly conceivable that medium-sized farms could devise schemes that deliver, say, 40 units. The largest farms and estates that pursue it as a central plank of their strategy could provide hundreds or even thousands of units.

Whatever the scale, it's important to be proactive so you don't end up as a price-taker if a developer is interested in you providing the 'offset'.

If you know what is deliverable, you stand a better chance of driving a better deal and are less likely to undervalue the opportunity.

The big question, of course, is how much developers are paying. Our experience is that the payments are potentially far greater than what's available under Countryside Stewardship.

We were selected to be involved with Natural England's pilot project, so have been close to the market from the start. Just one recent example: an agreement we've been involved with will see a landowner providing three units of BNG per ha, with a payment of about £25,000/unit. Other deals we've helped shape are for even bigger sums.

BNG won't be for everyone, of course – not least because it's committing land to a 30-year agreement (stewardship is for five or 10 years), but if you have experience, for example, of creating wildflower meadows, managing flood



plain grazing marsh, restoring ponds or planting hedges, it could be an important revenue stream and means of supporting nature recovery projects on your land.

So what can you do? Initially there's the 'baselining', which is establishing what biodiversity you currently have and modelling what you could enhance or create. You should also look at local planning policies. Some local authorities are already earmarking potential areas for 'offsetting' and it's worth looking at the local Nature Recovery Strategy which informs this.

It's worth viewing BNG as a 'commodity'. Don't just think about it in terms of area; think about 'yield'. If someone asked you to grow an alternative crop for them, the deal probably wouldn't be based simply on an acreage. You'd ask how many tonnes they are needing/expecting. You'd negotiate a price based not on the area grown but partly on what margin you sought, partly on the market price and partly on the t/ha yield.

Equally, you'd want to work out the fit with the rest of the rotation and which land would

provide the best yield. Then you'd want to think about establishing and managing the crop to give yourself the best chance of success, all in a way, of course, that fits with the rest of the business, including tax and inheritance planning.

The BNG market is starting to come alive and being proactive will ensure you can drive the price, rather than end up as a price-taker.

WHAT IS BNG?

Already enshrined in law and due to be implemented from November 2023, BNG is a planning concept that requires developers to provide a minimum of 10% more biodiversity than that lost at a development site. It can be provided 'off site', ie on farms a distance from the development. The amount of biodiversity lost as a result of the development and the required additional provision is calculated through a system of 'units' using a recognised metric.

HOW WE CAN HELP

We have in-house experts accredited with the Chartered Institute of Ecology and Environmental Management (CIEEM), planning specialists and farm and estate management consultants, so can do everything from habitat surveys and metric calculations to modelling and creating habitats – all in a way that is fully integrated with your farming business.



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HIGH ECOLOGICAL/ CONSERVATION **APPEAL**



LEWES | EAST SUSSEX



GUIDE PRICE: £275,000

Lambert and Foster is delighted to be marketing Landport Brooks at a guide price of £275,000. Located within the South Downs National Park and just outside the popular county town of Lewes, the land offers a unique chance to purchase two linked blocks of pasture land separated by the Lewes to Plumpton railway line and bound by a kilometre of single bank frontage on to the River Ouse. The land also includes a few acres of the Offham Marshes Site of Special Scientific Interest.

Landport Brooks is considered to have high ecological/conservation appeal and offers the exciting potential to establish biodiversity net gain opportunities.

The land is being sold subject to an annual periodic farm business tenancy, with vacant possession obtainable from March 2024. This coincides with the termination of the basic payment scheme and roll out of the new Environmental Land Management schemes in England, which have a greater focus on achieving net zero targets.



Full details are available from lambertandfoster.co.uk or from Lambert & Foster's Sussex office.

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