

CABINET



Report subject	Improving biodiversity in Bournemouth, Christchurch and Poole
Meeting date	17 December 2025
Status	Public Report
Executive summary	<p>BCP Council has a statutory duty to conserve and enhance biodiversity and has committed, in its Shared Vision 2024 – 2028, to create 'vibrant places where people and nature flourish'.</p> <p>Three council-owned sites have been identified where different land management approaches would increase the diversity of wildlife, create nature corridors and improve residents' health and wellbeing by making natural areas more accessible to explore and enjoy. These are Erlin Farm, Millhams Mead and Solent Meads.</p> <p>To avoid creating new pressure on the budget at a time of financial challenge across the council, this paper sets out a sustainable funding proposal and options for a mechanism to deliver this.</p> <p>A previous Cabinet paper approved the principle of creating a mechanism to enable BCP Council to sell Biodiversity Net Gain (BNG) units from council-owned land, either in-house or via an arms-length organisation. This paper focuses on the funding mechanism and outlines options with a recommended approach.</p> <p>Since BNG became law in February 2024, approximately £187k worth of funding for nature (in the form of BNG unit purchases) has gone to other areas of England from development activity which has taken place in BCP Council's Local Planning Authority (LPA) area. This means areas outside BCP are benefiting from improved biodiversity and the associated improved health and wellbeing impacts. The recommendations in this paper would establish a mechanism to ensure the benefits of the BNG planning policy would remain within Bournemouth, Christchurch and Poole.</p> <p>Where the current use of a site is proposed to change, a period of public and stakeholder engagement will be undertaken to ensure the best approach for nature and residents. This will come forward in a future report for a further decision.</p> <p>None of the changes will involve building on these sites, this would fundamentally contradict the objective of creating more habitat and increasing biodiversity.</p>

Recommendations	<p>It is RECOMMENDED that Cabinet:</p> <ul style="list-style-type: none"> a) Notes the previous Cabinet decision to sell BNG units in principle and approves an in-house mechanism for selling BNG units, while continuing to monitor the BNG market and explore alternative approaches. b) Approves the improvement of habitats at up to three Council-owned sites (Erlin Farm / Millhams Mead / Solent Meads outside the golf course area) for future supply of BNG units c) To look to improve nature as part of the re-tendering of golf and other leisure use for the existing Solent Meads golf course area
Reason for recommendations	<p>Improving biodiversity across BCP benefits nature which in turn improves residents' health and wellbeing.</p> <p>Creating a sustainable funding mechanism for this work avoids additional pressure on BCP Council budgets.</p> <p>BCP residents will benefit from the requirement for developers to leave habitats for wildlife in a measurably better state than they were before development.</p> <p>The longer BCP remains without a supply of BNG units, the greater the risk to its green infrastructure. This could lead to environmental degradation and the loss of investment to areas outside BCP, missing the opportunity to deliver high quality nature for local communities.</p> <p>Managing the delivery of BNG units in-house on at least one council-owned site offers the fastest and most practical route to improving biodiversity in the conurbation. It also enables the council to test the BNG sale process and market with minimal investment and risk. This approach allows BCP Council to learn, address uncertainties, observe how the emerging market evolves, and assess the ease of selling units.</p> <p>Delegating authority to officers to select the initial site/s provides the necessary time and mandate to carry out detailed modelling, planning, costing, and stakeholder engagement ensuring informed decisions about which sites to prioritise.</p>
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Wards	Council-wide
Classification	For Recommendation / Decision

Background

1. The UK is one of the most depleted countries in the world in terms of biodiversity.
2. The Environment Act 2021 strengthens the biodiversity duty originally set out in the Natural Environment and Rural Communities (NERC) Act 2006, requiring public authorities to:
 - a. Consider what actions they can take to conserve and enhance biodiversity.
 - b. Agree policies and specific objectives based on that consideration.
 - c. Act to deliver those policies and achieve the objectives.
 - d. Report on their actions and future plans.
3. This applies to all public authorities, including local authorities and local planning authorities such as BCP Council.
4. The strengthened Duty means as a public authority, BCP must:
 - a. Consider what it can do to conserve and enhance biodiversity.
 - b. Agree policies and specific objectives based on your consideration.
 - c. Act to deliver your policies and achieve your objectives.
5. To deliver these duties, BCP Council has identified three potential sites where a change in land management approach will increase and improve biodiversity. This paper outlines recommendations for establishing a sustainable funding mechanism to support this initiative.
6. The Environment Act 2021 aims to halt and reverse decline in UK biodiversity through several measures including BNG, a mandatory obligation on most new development, to be secured through the Local Planning Authority. BNG will be delivered either on the development site, or off-site on biodiversity gain sites.
7. BNG requires developers provide an increase in natural habitat and ecological features affected by a development i.e. to leave nature in a measurably better state than they found it by a value of 10% or more. In fulfilling this mandatory obligation developers will have to quantify their anticipated impact on habitats as part of their planning application, and produce a long-term plan that can deliver, monitor and maintain an area of habitat. In doing so they may need to deliver biodiversity gains off-site and can rely on other landowners, with land in need of nature recovery, to provide biodiversity to meet the required 10% net gain.
8. Land in Bournemouth, Christchurch and Poole can be used and improved for nature, through tree planting, creation of meadows, ponds, ditches and hedgerows and other habitat management.
9. These factors present an opportunity for BCP Council to:
 - a. Deliver its statutory duties in accordance with the Environment Act 2021 by improving habitats and increasing biodiversity.
 - b. Improve residents' health and wellbeing through access to nature.
 - c. Create a sustainable funding mechanism and avoid budget pressure by attracting investment in its natural environment via the sale of BNG units.
 - d. Provide an avenue for BNG income and its benefits to remain within Bournemouth, Christchurch and Poole.
10. In September 2024 a [Cabinet paper](#) explained the opportunity for BCP Council to attract investment in its natural environment and local wildlife via the creation of a mechanism to manage sales of BNG units.
11. Appendix 1 provides a summary explanation of BCP Council's Financing Nature project including a brief description of BNG, Habitat Banking Vehicles and BCP Council's work to date.

12. BCP Council's Green Spaces Development Team secured external funding to work with industry experts [Finance Earth](#)¹ to understand the scope of habitat banking and consider different operating models for selling BNG units from council-owned sites.
13. Finance Earth have worked with Plymouth City Council (PCC) to create an arms-length mechanism [Ocean City Nature](#).
14. The City of Doncaster Council are supplying BNG units via an in-house arrangement.
15. These two operating models (in-house and arms-length) have been explored for enabling the sale of BNG units from BCP Council-owned land. For a summary of both see appendix 2.

Current situation

16. Without a funding mechanism and sites allocated for habitat improvement, BCP Council are currently unable to offer a supply of BNG units within the LPA area. In the absence of a local supply, development sites that require offsite BNG units are having to purchase BNG units from outside the LPA area or statutory BNG credits. This means developers within BCP are paying to improve nature elsewhere.
17. The Statutory Biodiversity Metric, published by Defra for calculating BNG units, includes a spatial risk multiplier which increases the number of units a developer must provide if the units are not supplied from within the same LPA area or National Character Area (NCA). This means that local developers are paying an increased cost to meet BNG requirements. Therefore, offering a local supply should be attractive with Bournemouth, Christchurch and Poole.
18. Habitat mitigation is not always provided on-site by developers and habitat improvements are being made outside Bournemouth, Christchurch and Poole as a result. Since BNG became law in February 2024, approximately £187,107 worth of funding that could have been used for nature improvements in the three towns (in the form of BNG unit purchases) has gone to other areas of England from development activity within BCP Council's LPA area. Further detail provided in appendix 3.
19. Commercial actors have been quick to establish themselves in the BNG space to tap into the potentially material profitability of BNG. The largest two habitat banking businesses in the UK, representing c.50% of the market, are funded by international profit-seeking firms. This is money that BCP Council could capture for the benefit of residents and the local area instead.
20. It is difficult to predict how many BNG units the council may need in coming years to support its own housing or other development, especially with current high housing targets set by the government. The position with the Local Plan and uncertainty over development site viability make any predictions unreliable. However, it is anticipated that the council will bring forward housing development that will necessitate the purchase of BNG units.
21. The key criteria for selecting potential BNG sites within BCP Council include:
 - a. Size – larger sites, at least 20ha of land for habitat improvement.
 - b. Habitat type – generally grassland sites generate units faster.
 - c. Geographic location of site – public access and adjacent to any upcoming development projects. Future sites should also consider inclusion in the [Local Nature Recovery Strategy](#) (LNRS) because they will benefit from a strategic significance multiplier, receiving 1.15 times more biodiversity units than would otherwise be awarded.

¹ Finance Earth provides advice to BCP Council through a framework of "Green Finance" support to local authorities funded and co-ordinated by the National Trust and partners. To date all work between Finance Earth and BCP Council has been grant funded by the National Trust or other 3rd parties, BCP Council has not directly paid Finance Earth for this work.

- d. Existing grant/public funding being received by site – to ensure that BNG income will be additional.
- e. Suggested sites from the council's Countryside team.

22. Initially, five sites were considered. These have been reduced to three BCP Council-owned sites for habitat banking. This is based on meeting the above criteria, availability and potential to secure future income linked to the current ecological value of the land:

- a. Erlin Farm, off Muscliffe Lane, BH9 – no public access, currently used for winter grazing. Managed by BCP Countryside team and council freehold.
- b. Millhams Mead, Bournemouth, BH11 9BT – publicly accessible Local Nature Reserve. Located within Kinson ward. Managed by BCP Countryside team and council freehold.
- c. Solent Meads, Broadway, Bournemouth, BH6 4EL – publicly accessible land, council freehold. One parcel of the land is currently a golf course managed by a tenant operating the golf concession, with a lease expiring in November 2026.

Appendix 4 provides more information about these sites and their BNG potential.

23. Options for how to improve each site are still being considered and the council is committed to engaging with the public and stakeholders before making any decisions on any change for users of the space. None of these options would involve building on these sites as this would fundamentally contradict the objective of creating more habitat and increasing biodiversity.

Creating a supply of BNG units

- 24. Land must be secured via a legal agreement (section 106 or [conservation covenant](#)) for the creation and maintenance of habitats for a minimum of 30 years.
- 25. Once approved by the LPA, the site is registered on the Biodiversity Gain Site Register, making the units available for purchase to meet BNG requirements.
- 26. By becoming a seller of BNG units, the nature creation / restoration of a site within Bournemouth, Christchurch and Poole replaces the habitat loss on a development site, either within the three towns or elsewhere. No net loss of nature occurs at an authority level and investment stays within Bournemouth, Christchurch and Poole. It could even come from outside the area.
- 27. BCP Council can enhance its own green spaces for people and wildlife, funded by a sustainable revenue stream and business model. There is no impact on the collection of Community Infrastructure Levy and other developer contributions, e.g. Habitats regulations, as these will still be required.
- 28. Establishing a mechanism for selling offsite BNG units will also ensure the council can meet its own BNG obligations that might arise from developing its own land.
- 29. This could also unlock future land purchase opportunities, funded by BNG.
- 30. Dorset Council (DC) are registered as a Responsible Body so BCP Council could use DC for creating conservation covenants where needed (in-house arrangement).

Options Appraisal

- 31. Option 1 In-house: Quickest route to market, BCP Council directly manages and operates the habitat banking activities within existing council structures and departments. The council would use its own staff, systems and processes to deliver BNG projects, maintaining direct control over all operations but with limited ability to act commercially due to Local Authority constraints under the Localism Act.
- 32. Option 2 Arms-length: A Special Purpose Vehicle (SPV) or subsidiary company, which is distinct from the council while maintaining full council ownership or control, created as a Habitat Banking Vehicle (HBV). This provides commercial flexibility to respond quickly

to BNG market developments while transferring risk away from the council to the separate entity.

33. Option 3 Stepped: Setting up an in-house arrangement for specified sites (any or all the sites listed above) while continuing to consider an arms-length arrangement for any future BNG supply sites. Learning from the in-house arrangement to potentially develop an arms-length mechanism with time.

34. Summary of the risks, issues and benefits of each approach below, more detail can be found in appendix 5.

	1. In-house	2. Arms-length	3. Stepped
Key risks, issues and benefits	Operated site by site. Risk for the council is low. Costs of set up are relatively low. Direct council control over all decisions.	Can generate surplus funds for additional improvements to BCP's green infrastructure. Greater commercial flexibility and credibility with private actors. Off balance sheet operations reduce risk. Could raise private capital if desired.	Able to immediately begin habitat creation at a selected site/s. Allows habitat investment within BCP's LPA area to support planning applications, while continuing to explore alternative approaches. Time to learn from the in-house BNG supply site.
Pros	Quick start. Direct control. Uses existing expertise.	Scale potential. Commercial credibility. Risk management.	Immediate action. Learning opportunity. Market validation.
Cons	Limited scale. Commercial restrictions. Conflict of interest issues (being the landowner and LPA). No surplus generation.	Some additional short-term complexity and higher initial costs. More difficult to close if activity halted.	Both models retain their limitations at each phase.

35. The two operating models (in-house and arms-length) are outline in appendix 6, including illustrations.

Next steps

36. As outlined in appendix 6, an internal project board will need to be set up. This board will be responsible for the habitat bank and will be the core governance arrangement. This will have representation from key council services to include finance, legal and countryside management. This group will consider the three Council-owned sites and decide which to take forward first.

37. The project board will also review the case for the establishment of an arms-length body and return to BCP's cabinet with appropriate recommendations.

Summary of financial implications

38. For each site taken forward, a Habitat Monitoring and Management Plan (HMMP) will be developed to refine and confirm interventions based on ecological surveys. Once

these details are understood, cost estimates will become more accurate. The principle is that all costs for site enhancement and 30-year maintenance will be included and recovered through the sale of BNG units.

39. £400k of Community Infrastructure Levy (CIL) funding was allocated to this project when presented to Cabinet in September 2024. These funds will be used to invest in the chosen sites and cover all habitat banking costs, including habitat improvements, maintenance, access works, and management of the operating model. This enables biodiversity enhancements to occur before BNG units are sold. These costs will be recovered from unit sales and remain in a ring-fenced budget. This enables biodiversity enhancements to occur before BNG units are sold. These funds will be recovered from unit sales and remain in a ring-fenced budget.
40. Appendix 7 provides estimated the upfront capital requirements to meet the upfront capital costs for the three sites and a proportion of their short-term working capital requirements. These estimates are based on BCP data and market data and are subject to change.
41. Cost estimates for the three potential council-owned BNG supply sites include legal and financial support, site improvements and 30 years of maintenance. Ongoing support from finance colleagues will also be required to manage the operating model and facilitate unit sales. These costs will be incorporated into the BNG unit pricing and recovered through BNG unit sales.
42. The priority is to offer units that are competitively priced while reflecting delivery and management costs, whilst not unreasonably undermining the market.
43. Without a BCP Council mechanism for selling BNG units, opportunities for local nature improvements will continue to be missed.
44. At Solent Meads, potential revenue loss could be offset through BNG unit sales and other commercial opportunities linked to the buildings. These will be explored in the next phase, alongside public engagement on Solent Meads' future use. Erlin Farm and Millhams Mead currently generate no significant income.

Summary of legal implications

45. Any council-owned BNG supply site created using an in-house operating model will need to enter into a form of legal agreement known as a "Conservation Covenant" with a Responsible Body. At the time of writing, there are currently [33 designated Responsible Bodies](#), including Dorset Council.
46. The Conservation Covenant will require BCP Council to install habitats on the relevant areas of land and maintain them for a minimum of 30 years. This then creates BNG units which can be allocated to the council's own developments or sold to private developer. The Council can undertake its legal work through existing resources.
47. New concession opportunities linked to the BNG supply sites would need support for any new lease arrangements.

Summary of human resources implications

48. A Financing Nature working group has been in place to bring forward the cabinet papers over the last two years. This group will evolve as the in-house operating model begins to be set up, with staff time required from the following teams:
 - a. Green Spaces Development – continued project management of the Financing Nature project and its deliverables
 - b. Countryside – delivery of nature restoration / habitat creation and maintenance of the sites
 - c. Planning – to liaise on BNG units and implementation of planning policy
 - d. Finance – to ensure a mechanism is working to regulations and to monitor all transactions

- e. Legal – regarding any new commercial leases, as well as the governance of the mechanism
- f. Estates – regarding land use and asset management

49. Careful project management should ensure that all staff time used in the progression of the project is factored into the BNG unit price and will be recovered once the units sell.

Summary of sustainability impact

50. BCP Council have declared a [Climate and Ecological Emergency](#), recently adopted the [Dorset Local Nature Recovery Strategy](#) and have existing [Green Infrastructure](#) and [Urban Forest](#) strategies. Improving wildlife and nature within BCP meets the aims and principles of these strategies and supports the accreditation as [Nature Towns](#). It also meets the statutory duties as set out earlier in the report.

Summary of public health implications

- 51. Enhancing BCP's green infrastructure contributes to improving the quality of life for people through enhanced access to nature and potential investment in green spaces. This has known physical health benefits such as boosting the immune system, improving heart health and reducing the risk of chronic diseases; supports mental health through reducing stress and anxiety, lowering depression rates and enhancing emotional resilience.
- 52. Societal benefits include the promotion of social connection through outdoor activities that foster cooperation, kindness and a sense of belonging. Time in nature also strengthens environmental awareness and regular exposure can encourage sustainable behaviours and positive attitudes to nature.

Summary of equality implications

- 53. This report is promoting and committing BCP Council to clear biodiversity outputs, delivery and governance, seeking ways to innovate, improve and support our residents and communities in accessing and supporting nature.
- 54. A forward plan of nature recovery delivery work will create more ways to engage with and seek support from local organisations and individuals through new forums and platforms.
- 55. Equality considerations show that while everyone in theory can have access to nature, we know there are barriers. Work is required to understand how to remove barriers and develop opportunities for more diverse groups to support this work, be more involved in decision making and realise the benefits from time in green spaces and nature.
- 56. Further EIAs will be undertaken for specific site proposals and considering feedback received during engagement activities.

Summary of risk assessment

57. Risks associated with the various options for the different mechanisms are noted above. Other specific risks include:

- a. BCP Council invests in improving nature and then cannot recoup costs through sales of the resultant BNG units. Careful project management will ensure that habitat restoration is programmed with cashflow considerations a priority. Research has been done to consider existing schemes run by other councils, as well as the current market for BNG units. Also, the benefits gained for wildlife, people and the wider BCP community will still be delivered, even if insufficient sales are made.
- b. The BNG market is in its infancy and therefore has the potential to change e.g. a poor performing housing market will not support developers to bring forward

planning applications, therefore their requirement for BNG units does not materialise. There is no evidence that housing development will markedly slow within BCP and there are high housing targets for the forthcoming Local Plan. BNG units can be sold to developers outside the LPA, although BCP Council's preference would be to support growth within the area.

- c. Resistance from residents to change the use of certain sites for nature restoration / habitat creation. Good community engagement and information sharing will minimise negative response.
- d. Potential loss of revenue if sites currently have income-generating activity or opportunity. Any impact on the revenue budget will need to be offset by new commercial activity and income from BNG unit sales.
- e. If there is future need for technical support through a consultant these costs will be reflected in the eventual BNG unit pricing that will be re-couped from the selling of BNG units

Background papers

- Cabinet report Financing Nature 04/09/2024
- Cabinet report on Biodiversity Duty 17/12/2025 with report on BNG numbers and BCP Biodiversity report.
- [Nature Towns and Cities programme](#). BCP was the first group of towns to be accredited by this new programme (previous support offered under the predecessor programme, the Future Parks Accelerator).
- [BCP Council's Green Infrastructure Strategy](#)
- [BCP Council's Urban Forest Strategy](#)
- [Dorset's Local Nature Recovery Strategy](#)

Appendices

- Appendix 1 – Financing Nature briefing note 13/11/2025
- Appendix 2 – Summary of Plymouth City Council's arms-length experience and City of Doncaster's in-house experience
- Appendix 3 – Estimation of BNG units which could have been purchased by developments from within BCP had there been a local supply 01/02/24 – 06/10/25
- Appendix 4 – Potential BCP Council-owned BNG supply sites
- Appendix 5 – Detailed risks, issues and benefits of each approach
- Appendix 6 – Overview of delivery models
- Appendix 7 – In-house BNG delivery costs