

Appendix 2

Summary of examples of two operating models

City of Doncaster's in-house experience

Doncaster identified that they had a field of wheat in their ownership and in [July 2023 put a principle to cabinet of using the site for BNG delivery](#). In Sept 2023 they started habitat improvement and planting finished in Jan 2025. In [Nov 2025 they put a report to cabinet to decide what to charge for their BNG units](#).

They considered an arms-length structure but have decided on an in-house structure to avoid additional complexity, the need for directors, constituting and the scale at which they may operate. This might be their only site. They have a project manager role managing this at the Council and their operating model does not attract any surplus funds, only full cost recovery.

There is a conservation covenant through their neighbouring authority. The site generates 130 BNG units and they have assigned some of these to internal council teams to support development, the remainder will be sold and they anticipate selling these at £21,000 per unit.

Plymouth City Council's arms-length experience

Finance Earth has supported a wide range of local authorities, private companies, charities (particularly Wildlife Trusts) and farmers to explore the opportunity for Biodiversity Net Gain and "Habitat Banking". The most advanced Local Authority example is that of Plymouth City Council (PCC), exploring a variety of natural capital opportunities, and the setup of different operating structures and vehicles to operationalise nature recovery and net zero plans.

Launched a natural capital operating vehicle (arms-length company) [Ocean City Nature](#) in 2023, and earlier this year opened their habitat banking vehicle Ocean City Biodiversity with an initial [£500k investment from the council supporting initial habitat sites](#). So far PCC has issued 12 BNG quotes to potential buyers receiving substantial interest.

Another example of an arms-length HBV is [Greater Manchester Environment Trust](#).