

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Habitat Banking Programme

Meeting/Date: Environment O&S Panel – 05/02/2026
Cabinet – 10/02/2026

Executive Portfolio: Executive Councillor Julie Kerr

Report by: Nicholas Massey-Vernon – Biodiversity for All
Project Manager

Ward(s) affected: All Wards

Executive Summary:

This report seeks Cabinet approval to establish habitat banks on appropriate Council-owned sites, generating Biodiversity Net Gain (BNG) units.

Habitat banking enables Huntingdonshire District Council (HDC) to meet its statutory duties under the Environment Act 2021, while retaining investment within the district and improving the quality of parks and open spaces for residents.

Habitat Banking Council sites can be delivered in a proposed two-phase approach:

Phase 1 – which is underway, utilises the underspend from the Cambridgeshire and Peterborough Combined Authority (CPCA) funded Biodiversity for All (Bio4All) project to pilot the approach on three sites by providing £49,416 of funding for surveys, habitat management and monitoring plans (HMMP) and initial capital investment (habitat creation) to deliver some of the wider uplifts required.

Phase 2 – following on from the work in phase 1 a £220,000 capital bid has been submitted to the 26/27 MTFS to habitat bank a further three Council owned or leased sites and deliver capital investment across the 6 sites (habitat creation). This report is seeking permission to proceed with phase 2 to habitat bank a further three sites – subject to the approval of the relevant capital funding which will be dealt with separately via the Councils budget setting process.

The Bio4All project has helped to identify six potential Council owned and leased sites for the project:

Phase 1:

- Barford Road, Pocket Park (St Neots)
- Huntingdon Riverside
- St Neots Riverside

Phase 2 (Potential sites):

- Spring Common
- Berman Park
- Priory Park

The financial modelling undertaken by Officer's indicates a net income potential of £1.96m (Phase 1) and £818,000 (Phase 2) a total of £2.78m over a 30 year period. Inclusive of management, staffing and maintenance costs this would facilitate a positive financial contribution of £1.74m over the same period. This would be dependent based upon market conditions alongside the improved biodiversity conditions on each site.

The proposals set out in this report support the Corporate Plan 2023–2028, the Climate Strategy, the Huntingdonshire Futures Strategy and the Local Nature Recovery Strategy (LNRS), providing a financially sustainable, nature-based approach to improving biodiversity, climate resilience and community wellbeing.

The report aims to establish the principles relating to Habitat Banking and the Councils approach, and ensure sufficient delegations are available for Officers to implement the agreed direction of travel – subject to the necessary and relevant separate financial approvals.

Recommendation(s):

The Cabinet/Committee is

RECOMMENDED

- a) To update the Council on the Bio4All programme and showcase the partnership work between the Council and CPCA for Phase 1; and note how this can be taken forward in an approach for Biodiversity Net Gain (BNG).
- b) To acknowledge the environmental, social and economic benefits of Habitat Banking across Huntingdonshire; alignment with existing policies/strategies; and role of BNG and Habitat Banking in relation to development delivery within the District.
- c) To seek approval for the principle of and approach outlined to phased establishment of Habitat Banks on suitable Council owned land to generate Biodiversity Net Gain (BNG) units.
- d) To note the inclusion of a £220,000 capital investment bid and associated income impact within the 2026-2027 MTFS to deliver Phase 1 & 2.

- e) To seek approval on the approach, governance, process, and timeline for full implementation across the district by April 2026 and embedding BNG delivery and management as part of business-as-usual activity.
- f) To ensure appropriate delegations are in place to enable efficient and effective implementation, delivery of actions, and monitoring pertaining to BNG units as part of business as usual (BAU); and maximise the potential social, environmental and economic benefits of BNG on Council owned land.

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to set out the design, delivery and overall process that officers will use to deliver, launch and implement the Habitat Banking Programme in Phase 1 and Phase 2.
- 1.2 To showcase the opportunity that exists for the council to improve biodiversity across parks and open spaces, to support financial sustainability, allowing for long-term improvements and investment into important local assets, and to create spaces that local residents want to visit.
- 1.3 To secure Cabinet approval for the phased establishment of habitat banks on Council-owned and leased land, enabling and supporting the Council to generate Biodiversity Net Gain units for commercial sales to developers and other interested parties. The report is intended to establish the strategic direction and approach; and provide a plan within which Officers can operate to deliver and implement the proposals, and deliver the identified outcomes.
- 1.4 To utilise the implementation of the Habitat Banking Programme to promote and support the Council's wider strategic approach of its Corporate Plan 2023–2028, the Climate Strategy, the Huntingdonshire Futures Strategy and the Local Nature Recovery Strategy (LNRS), helping provide a financially sustainable, nature-based approach to improving biodiversity, climate resilience and community wellbeing

2. BACKGROUND

- 2.1 The Environment Act 2021 requires most developments in England to deliver a minimum 10% Biodiversity Net Gain (BNG), secured for at least 30 years. Where on-site mitigation is not possible, developers must purchase BNG units from off-site registered habitat banks.
- 2.2 This national requirement has created a growing environmental market. Local authorities are encouraged to participate directly by restoring or enhancing their own land to produce measurable biodiversity units. The habitat banking process is set out in **Appendix 1**.
- 2.3 Huntingdonshire District Council manages a diverse portfolio of parks and open spaces suitable for habitat banking, which gives the council the opportunity to enhance biodiversity across its sites fulfilling the objectives set out by Cabinet on the 16/01/2024 ([Cabinet](#) Report). Delivering habitat banks locally will:
 - retain developer investment within the district
 - enhance biodiversity and ecosystem resilience
 - improve public open spaces for residents
 - create a long-term, self-sustaining income model
 - support delivery of the Corporate Plan, Climate Strategy and Local Nature Recovery Strategy (LNRS).

- 2.4 Initial feasibility work under the CPCA-funded Biodiversity for All (Bio4All) programme identified six suitable sites, with potential to generate approximately 65 units.
- 2.5 Whilst building the business case for the habitat banking programme the following assumptions have been used:
- The BNG sale price for a BNG unit within this report and programme has been modelled on the information set out in the following link. ([Biodiversity Units UK — February 2025 BNG Pricing Report: One Year On](#))
 - 4% inflation on staff and maintenance costs
 - 6.1% capital interest payable if capital investment was borrowed over 30 years
- 2.6 Further financial breakdowns can be seen in **Appendix 2 and 3**. In addition a wider explanation of how the business case was developed by officers can be seen in section 5.
- 2.7 The Bio4All project identified the issue of being able to fund the creation of habitats (trees, hedges, ponds etc), but not the maintenance costs associated to establish and maintain them (watering etc), as this is counted as revenue funding. This resulted in the risk of the newly created habitats dying and the capital investment being lost and a reluctance to spend all of the capital budget without a plan to maintain the new natural assets, resulting in an underspend of approximately £100,000. Therefore, the team identified the creative solution of habitat banking the sites to enable a longer-term funding model to support the creation and maintenance of the new natural assets.
- 2.8 The CPCA approved the use of the funds (£50,000) for this purpose and the habitat banking work began in September 2025, with the initial planting and habitat creation taking place in October 2025 (Phase 1).
- 2.9 Phase 1, covering Barford Road Pocket Park (St Neots), St Neots Riverside and Huntingdon Riverside, have been funded through Bio4All project underspend to test the approach and establish baselines, Habitat Management and Monitoring Plans (HMMP) and initial ecological works. The breakdown of the costs and activities can be seen in the table below.

2.10 Details of Phase 1 Activities and Costs

Site	Activity	Cost
St Neots Riverside	Ecological Baselineing and HMMP	£6,246
	Initial Ecological Capital Works	£6,753
Huntingdon Riverside	Ecological Baselineing and HMMP	£6,246
	Initial Ecological Capital Works	£11,757
Barford Road, Pocket Park	Ecological Baselineing and HMMP	£6,246

	Initial Ecological Capital Works	£12,167
Total		£49,417

2.11 Phase 2 proposes further habitat banking at Spring Common, Berman Park and Priory Park, subject to new capital and revenue funding being approved in the MTFS for 2026/27.

2.12 The capital bid submitted as part of the 26/27 MTFS is £220,000 of which £95,000 will be used to finalise Phase 1 and the rest £125,000 will be used to implement Phase 2.

3. STRATEGIC BENEFITS

3.1 Financial Sustainability

- Establishes a long-term revenue stream through BNG unit sales.
- Reduces reliance on external grant funding.
- Ring-fenced surpluses support 30-year management and future investment.
- Enhances the value and resilience of Council assets.

3.2 Environmental and Climate Benefits

- Delivers habitat creation including wetlands, species-rich grasslands and woodland enhancements.
- Supports carbon sequestration, flood mitigation and air quality improvement.
- Strengthens the district's ecological network and climate resilience. Aligns with the Climate Strategy, LNRS and Huntingdonshire Futures.

3.3 Community and Wellbeing

- Enhances accessible open spaces for residents.
- Supports physical and mental health through contact with nature.
- Creates opportunities for education, volunteering and community engagement.

3.4 Reputational and Strategic Leadership

- Positions HDC as a regional leader in nature-based delivery.
- Demonstrates alignment between statutory duties and local priorities.
- Provides a model that can be scaled across the district.

4. Options Appraisal

4.1 Three delivery approaches were considered.

- **Option 1** — Do Nothing would forgo a significant financial and environmental opportunity, leaving the Council reliant on external providers to meet local Biodiversity Net Gain (BNG) demand.
- **Option 2** — Partnership or Lease Model would reduce upfront delivery risk but would limit the Council's long-term financial return and control over habitat quality, with the majority of value captured by a private provider.

- **Option 3** — HDC-Led Habitat Banking, delivered on Council-owned land, offers the strongest alignment with strategic priorities, maximises revenue retention, and provides full oversight of environmental outcomes. This is the preferred option, as set out in detail in **Appendix 2 & 3**.

4.2 **Option 3 is recommended** because it maximises long-term financial return to the Council, ensures local delivery of high-quality habitats, and aligns most strongly with HDC's Corporate Plan, Climate Strategy and Huntingdonshire Futures priorities. While Option 2 reduces some upfront risk, it significantly limits the Council's financial return and long-term control. Option 1 offers no strategic or financial advantage and would result in a lost opportunity for improvement of Council-owned land.

5. FINANCIAL INFORMATION

- 5.1 The sale price for BNG units has been calculated by officers using the information set out in the following link – [Biodiversity Units UK — February 2025 BNG Pricing Report: One Year On](#).
- 5.2 Based upon the information from the link above and to take a prudent and risk-based approach, officers have used the framework price (link above) to model the total income expected from the sale of 65 units, as set out in **Appendix 2**.
- 5.3 Officers have worked with colleagues in Planning and Operations (Grounds Maintenance) to explore and fully understand the overarching costs for staff, contractors and maintenance costs. This information can be seen in **Appendix 2**.
- 5.4 As outlined in **Appendix 2**, the positive contribution between the direct sale of a BNG unit (income) versus the direct costs (staff, contractor and maintenance) can be seen in the Total Return Average column in **Appendix 2**.
- 5.5 Whilst it is strongly felt that all 65 BNG units could be sold in one year, officers have built the business case, presented as part of this report split equally over a four-year period. Therefore, at the conclusion of the four-year period and working on this basis the total income from the BNG sales would be £2.8m.
- 5.6 In terms of costs (staff, contractor and maintenance) an inflationary annual allowance of 4% has been applied every year to ensure that a realistic business case was applied from the outset of this proposed project. In addition to this and through engagement with the Council finance team officer's have also included a 6.1% interest cost for the borrowing of the requested capital (£220,000). These costs combined are £1.16m and can be seen in **Appendix 2**.

- 5.7 In addition to the inflationary costs and interest costs for borrowing the Minimum Revenue Payments (MRP) has also been included within the overall expenditure for this project. These costs can also be viewed in **Appendix 2**.
- 5.8 Therefore, in summary and as can be viewed within **Appendix 3** the main financial income and costs are summarised below:

Item	Income/Cost
Direct sale of BNG Credits in Phase 1 & 2	£2,779,087
Total Income	£2,779,087
Direct Costs (Staff, Contractor & Maintenance)	£1,042,560
Inflationary (4%) & Interest Costs (6.1%) + MRP	£1,381,289
Total Expenditure	£2,423,849
Overall Net Contribution	£355,238

6. COMMENTS OF OVERVIEW & SCRUTINY

- 6.1 The comments of the relevant Overview and Scrutiny Panel will be included in this section prior to its consideration by the Cabinet.

7. KEY IMPACTS / RISKS

- 7.1 The below table summarises the key risks associated with the projects and the mitigations to address the risks.
- 7.2 Detail of the Project Risks and Mitigations

Category	Risk	Mitigation
Financial	Upfront investment; variable BNG market.	Phased rollout; conservative pricing; external funding sought; ring-fenced income.
Legal	30-year management obligations and compliance risk.	Standard HMMP templates; Legal & Finance oversight; formal covenants.
Operational	Delivering the works required	Utilise inhouse services where possible
Capacity	Limited in-house expertise for monitoring.	Commission ecologists short-term; build internal capacity through BNG income.
Reputational	Public misunderstanding of habitat banking.	Clear communications highlighting community benefits.
Local Government Reorganisation (LGR)	Misalignment between asset ownership and ongoing habitat management responsibilities.	Embed Habitat Banks within robust legal frameworks

8. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

8.1 The implementation of the Habitat Banking Programme will be phased to deliver the Bio4All-funded pilot works in 2025, followed by full programme rollout and policy implementation during 2026–27.

8.2 Details of the Project Milestones and Timeline

Year	Month/s	Detail
2025	October – December	Phase 1 works commencement under Bio4All (delivered)
2026	January	Register x 3 Phase 1 habitat banks
	February	- Overview & Scrutiny Committee - Cabinet - Budget approval
	March - April	- Budget implementation - Procurement & baselining for Phase 2 - Sale of first HDC BNG Units
	May – September	Phase 2 habitat creation
	September	Register Phase 2 habitat banks
	October	Monitoring framework established
	December	Fully established habitat banking programme in place
2027	January – March	- Council 12-month update - Rolling programme from 2027 onwards – embed in BAU

8.3 This timeline ensures that Bio4All-funded pilot sites are completed and registered early 2026, enabling Cabinet to approve the full rollout, subject to approval in mid-2026 and for the wider Habitat Banking Programme to become fully operational by late 2026.

9. LINK TO THE CORPORATE PLAN AND STRATEGIC OBJECTIVES

9.1 The Habitat Banking Programme directly supports the Council's Corporate Plan 2023–2028 priorities of *Environment*, *Economy*, and *Communities*. They contribute to the Council's ambition to create a cleaner, greener, and more sustainable district by delivering measurable biodiversity enhancement, supporting local climate resilience, and generating long-term income to reinvest in public services.

9.2 The proposals also underpin delivery of the Huntingdonshire Climate Strategy (2023), the Huntingdonshire Futures Place Strategy, and the emerging Local Nature Recovery Strategy (LNRS), ensuring that Council land management aligns with national environmental policy. Together, these initiatives demonstrate HDC's commitment to climate action, natural

capital investment, and sustainable local growth in line with regional and national priorities.

- 9.3 The Habitat Banking Programme can also support the wider financial and commercial sustainability of the Council through helping offset wider service costs in Parks and Open Spaces and at the same time creating opportunities to influence other service areas by upskilling staff, creation of job roles and apprenticeships and wider service modernisation.
- 9.4 This opportunity will also allow itself to support further stakeholder engagement programmes like Groundwork East, enable the Parks and Open Spaces team to facilitate new and innovative programmes of a similar nature and seek out opportunities for volunteering to create and launch new habitat banks in the future.

10. LEGAL IMPLICATIONS

- 10.1 Habitat banking will operate in compliance with the requirements of the Environment Act 2021 and associated statutory guidance on Biodiversity Net Gain (BNG).
- 10.2 BNG legislation requires that sites be legally secured for a minimum period of 30 years, either through a Section 106 agreement or a conservation covenant and registered on the national BNG Register managed by Natural England.
- 10.3 To ensure compliance, the Council will:
 - a) Establish appropriate legal agreements for each habitat bank site.
 - b) Monitor habitat delivery against approved management plans.
 - c) Maintain governance arrangements across internal departments to fulfil ongoing obligations over the 30-year period.
- 10.4 Flexibility will be incorporated into legal agreements where possible to account for unforeseen force majeure events, such as wildfires, invasive species outbreaks, or extreme weather impacts.
- 10.5 While early informal discussions have taken place, full engagement with the Council's Legal Services will be undertaken as part of the next phase of the project.

11. CLIMATE IMPACT IMPLICATIONS & CONSIDERATIONS

- 11.1 Habitat banking will deliver significant positive contributions to the Council's climate change objectives, supporting the Climate Strategy, the Corporate Plan, the Huntingdonshire Futures Place Strategy, and the emerging Local Nature Recovery Strategy (LNRS).
- 11.2 Habitat creation and enhancement activities, including wetlands, species-rich grasslands, woodlands, and hedgerows will:

- Support carbon sequestration, helping to mitigate climate change.
- Enhance ecosystem resilience to climate impacts such as flooding, drought, and extreme heat.
- Provide natural flood management and urban cooling benefits.
- Improve air quality and water quality through enhanced green infrastructure.

11.3 Furthermore, improving habitat connectivity across Council sites will allow species to migrate, adapt, and survive under changing climate conditions, strengthening the district's overall ecological resilience.

11.4 Through habitat banking, the Council will deliver an integrated, nature-based response to climate change while enhancing the natural capital of Huntingdonshire for future generations.

12. RESOURCE IMPLICATIONS

12.1 The initial resource implications will be met from the underspend of the Bio4All project, which will fund ecological baselines, HMMPs, and initial works for Phase 1 sites, totalling £49,416.

12.2 The bid to the MTFS 2026/2027, subject to approval, will establish a new capital budget to support the implementation of habitat banking across all six identified sites, covering establishment costs, monitoring, and legal compliance.

12.3 Over time, the programme is designed to be self-funding. Income from BNG unit sales will be ring-fenced to a long term investment fund to support the 30-year management obligations, reinvestment in additional sites, and day to day service operations.

13. HEALTH IMPLICATIONS

13.1 The establishment and long-term management of high-quality green spaces will have positive public health impacts, particularly by improving opportunities for physical activity, recreation, and contact with nature.

13.2 Emerging evidence indicates that exposure to green environments rich in biodiversity, beyond simply green space alone is associated with improved psychological wellbeing, stress reduction and greater social cohesion (Dallimer et al., 2012; Sandifer et al., 2022).

13.3 Habitat enhancements and invasive species management will also reduce physical risks (e.g. injuries from Giant Hogweed exposure or flooding linked to obstructive invasive vegetation), improving public safety and environmental health outcomes across the district. This also compliments our Community Health and Wealth Building strategy and approach.

14. REASONS FOR THE RECOMMENDED DECISIONS

- 14.1 Habitat banking provides a financially sustainable and environmentally responsible approach to meeting statutory biodiversity requirements.
- 14.2 Cabinet approval will enable the Council to deliver habitat banking across appropriate Council sites, embed biosecurity and habitat management standards across its estate, and position the Council as a regional and national leader in nature-based innovation and sustainable land management.
- 14.3 The scheme based upon the business plan outlined within this report will allow the Council if it chooses to re-invest the surpluses delivered by the proposed schemes to help support the wider financial sustainability of the Council.
- 14.4 Launching this scheme will enable the Council to work with its strategic partners to upskill, train and launch new innovative programmes to help support residents back into work, new apprenticeships or widen its reach across the volunteering sector
- 14.5 The launch of this habitat banking programme will enable the Council to protect its local ecology environment and engage with local and national developers and with the retained income from the BNG sales it will allow the Council to improve and support wider services for local resident benefit.

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15. LIST OF APPENDICES INCLUDED

- **Appendix 1** – Habitat Banking Process Flow Chart
- **Appendix 2** – Financial Breakdown

16. BACKGROUND PAPERS

[Report Template for Cabinet / Committee Reports](#)

Appendix 1 – Habitat Banking Process Flow Chart

Step	Theme	Detail
1	Site Identification & Feasibility	- Select suitable Council-owned land - High-level ecological assessment
2	Baseline Surveys & BNG Metric Calculation	- Full ecological surveys - Establish baseline habitat condition - Calculate starting biodiversity units
3	Habitat Design & HMMP Preparation	- Create a site enhancement plan - Produce 30-year Habitat Management & Monitoring Plan (HMMP) - Costings for establishment + long-term management
4	Internal Review & Governance	- Parks, Planning, Legal, Finance review - Sign-off to proceed
5	Procurement & Habitat Creation Works	- Commission contractors/ecologists - Deliver wetland, grassland, woodland or river corridor works
6	Register Site with Natural England	- Submit baseline, HMMP and spatial data - Site enters the Biodiversity Gain Site Register
7	Habitat Bank Becomes Active	- Units available for developers - Monitoring underway
8	Marketing & Developer Engagement	- Work with Planning Service - Promote available BNG units to developers
9	Sale of Biodiversity Units	- Legal agreement (S106 or conservation covenant) - Units transferred; payment received
10	Long-Term Management (30 Years)	- Income ring-fenced - Annual monitoring & adaptive management - Reporting to Natural England

Appendix 2

Table A - Details the financial breakdown of phase 1

Site	Potential Units Created	Potential Income from Units (UK Framework)	Capital Set Up Costs	Total 30-Year Maintenance	Total Return (Average)	Inflation & Borrowing Costs
St Neots Riverside	19.7	£1,007,908.02	£46,820.14	£195,293.33	£812,614.68	£269,004.63
Huntingdon Riverside	13.2	£475,502.89	£17,040.19	£220,333.33	£255,169.55	£231,921.91
Barford Rd, Pocket Park	12.67	£477,973.84	£30,844.17	£264,763.33	£213,210.51	£297,834.90
Totals	45.57	£1,961,384.74	£94,704.50	£680,390.00	£1,280,994.74	£798,761.44

Table B - Details the financial breakdown of phase 2

Site	Potential Units Created	Potential Income from Units (UK Framework)	Capital Set Up Costs	Total 30-Year Maintenance	Total Return (Average)	Inflation & Borrowing Costs
Spring Common	2.43	£95,749.29	£25,059.10	£74,833.33	£20,915.96	£121,257.96
Berman Park	13.3	£618,259.43	£88,780.81	£197,408.33	£420,851.10	£353,771.67
Priory Park	3.72	£103,694.25	£11,455.59	£89,928.33	£13,765.92	£107,498.03
Totals	19.45	£817,702.97	£125,295.50	£362,170.00	£455,532.97	£582,527.67

Appendix 3 – Financial Breakdown

Phase 1

Site	30 Year Income	30 Year Expenditure	30 Year Return	Yearly Return
St Neots Riverside	£1,007,908.02	£464,297.96	£543,610.06	£18,120.34
Huntingdon Riverside	£475,502.89	£452,255.24	£23,247.64	£774.92
Barford Rd, Pocket Park	£477,973.84	£562,598.24	-£84,624.40	-£2,820.81
Totals	£1,961,384.74	£1,479,151.44	£482,233.30	£16,074.44

Phase 2

Site	30 Year Income	30 Year Expenditure	30 Year Return	Yearly Return
Spring Common	£95,749.29	£196,091.30	-£100,342.01	-£3,344.73
Berman Park	£618,259.43	£551,180.00	£67,079.43	£2,235.98
Priory Park	£103,694.25	£197,426.37	-£93,732.12	-£3,124.40
Totals	£817,702.97	£944,697.67	-£126,994.70	-£4,233.16

Overall

	30 Year Income	30 Year Expenditure	30 Year Return	Yearly Return
Overall Total	£2,779,087.72	£2,423,849.11	£355,238.61	£11,841.29

Assumptions Used:

- 30 year income includes:- Income from selling 65 credits
- 30 year expenditure includes:- Staff & Maintenance costs of sites over 30 years, inflationary impact (4.00%) on staff & maintenance costs and interest payable (6.10%) on borrowing £220k over 30 years.
- Prudently we have assumed selling the 65 credits over a 4-year period, but expect that we could sell these within 1 year

