Dorset Biodiversity Appraisal Protocol

Natural Environment Team

Guidance for Consultants

Section C – Compensation

& The Dorset Biodiversity Compensation Framework

Contents

1. Introduction

1.1. Financial compensation is only considered as a last resort when the Planning authority is minded to grant planning permission after the mitigation hierarchy: firstly to avoid and secondly to mitigate, has been applied but a residual loss of habitat(s) persists.

1.2. In cases where it is not possible to fully mitigate for the loss of biodiversity interests on a development site then applicants must be encouraged to avoid residual losses via off-site compensation measures. This is necessary to comply with the National Planning Policy Framework (NPPF) (paragraph 175, 2019).

1.3. In addition, where the Natural Environment Team (NET) consider that on-site mitigation and net gain will not contribute to maximising ecological networks and wildlife corridors, off-site compensation measures could be achieved either by providing: firstly, physical net gain to a site elsewhere in the control of the applicant or if this is not possible and as a last resort; a financial contribution.

1.4. Net gains over and above mitigation and compensation requirements will need to be included to demonstrate a measurable net gain for nature conservation and ensure compliance with the NPPF (2019).

1.5. Financial compensation will be agreed on a case-by-case basis.

2. The Dorset Biodiversity Compensation Framework

2.1. The Dorset Biodiversity Compensation Framework (DBCF) includes a metric for calculating the cost of replacing habitats and follows national guidelines established through the Defra pilot schemes and subsequent updates of those schemes.

2.2. In 2019, Natural England launched the Biodiversity Net Gain Metric 2.0, which is currently in a beta format until a final version is published (expected in 2021) when it is likely to be incorporated into the DBCF. In the meantime, compensation will continue to be calculated using the DBCF but may be aided by the use of the current Metric 2.0 where this is considered appropriate on a case-by-case basis.

2.3. Compensation required will be based on survey information and measurements supplied by the ecological consultant and reviewed by NET and the Dorset Biodiversity Appraisal Protocol (DBAP) Planning Liaison Group.

2.4. Typically, the DBCF does not consider the use of a site by protected species. They will need to be protected from development by applying national guidelines. However, there may be cases where loss of a species' habitat may need to be considered under the DBCF.

2.5. The level of financial compensation will be determined using published Defra metrics and costings which take account of the type and amount of habitat to be lost and the cost of recreating and maintaining the same habitat.

2.6. Compensation will not typically be sought for amounts of less than £2,000 but this will be at the discretion of the NET.

2.7. Financial compensation required = Compensation area (Area lost (A) x Risk (R) x Spatial (S) x Time (T) multipliers) x total compensation cost (the capital cost + maintenance cost for a 30-year period) as set out below:

2.8. **Risk Metric**

Risk Metric Multipliers for different categories of delivery risk representing difficulty of recreation	**Typical Habitats**	**Multiplier**
Very High or impossible	Creation of Aquifer Fed Naturally Fluctuating Water Bodies, Maritime cliff and slopes, Ancient Woodland, Purple Moor Grass	10
High	Creation of Wet Heath and Rush Pastures, Coastal Vegetated Shingle, Lowland Fen	3
Medium	Creation of Acid, Lowland Meadow and Calcareous Grassland (SNCI and grassland of local interest), Lowland Heathland creation, Lowland mixed deciduous woodland, Saltmarsh Restoration of Lowland Heathland (including removal of pines)	1.5
Low	Creation of Arable field margins, improved and semi-improved poor grassland, Ponds, Traditional orchards, Reedbeds, Coastal Floodplain Grazing Marsh, Saline Lagoons, species poor/species rich hedgerows (other than ancient), BAP tall herb communities (e.g. nettle beds, ungrazed wet grassland, etc), mature scrub	1

2.9. Spatial Metric

Spatial Location parameters	**Multiplier**
Compensation habitat (CH) is directly contributing to a spatially identified target or objective for the habitat in question e.g. CH is located in close proximity and delivers the same spatial ecological functions to area affected, or in an agreed alternative priority location that is delivering NIA and Nature Map objectives. NB: To be used when compensating for habitats that will contribute to ecological network irrespective of locality i.e. widespread habitats e.g. low value ruderal, rough improved grassland, non BAP tall herb communities, etc.	1
Compensation habitat (CH) is located elsewhere, but is nevertheless considered to be significantly contributing to the buffering, linking, restoring or expanding of existing habitat. NB: To be used where recreation site has not been identified e.g. where compensation will be delivered through funding of Dorset BAP Partnership Project.	2
Compensation habitat (CH) is not strategically located and is not considered to be significantly contributing to an ecological network.	3

2.10. **Time Metric** (time to fully restore habitat)

Years to target condition	Habitats to be created / restored	Multiplier
5	Creation of Ponds, species poor grasslands, non BAP tall herb communities	1.2
10	Creation of Reedbed, Mudflats, Saline Lagoons Traditional Orchards Minimum period for creating grasslands of local interest with appropriate soil conditions. Restoration of Lowland heathland where heathland soils intact e.g. via removal of conifer / dense scrub.	1.4
15		1.7
20	Minimum period for creating BAP priority grasslands of SNCI standard with appropriate soil conditions. Minimum period for creation of native mature scrub (W21,22,23)	2.0
25		2.4
30	Minimum period for creating BAP priority grasslands of SNCI standard with inappropriate soil conditions. NB To be used where recreation site has not been identified e.g. where compensation will be delivered through funding. Minimum period for creation of mature scrub habitats without planting (i.e. natural regeneration).	2.8
32 +	Mature woodland Lowland heathland creation where heathland soils modified or improved. NB: To be used where recreation site has not been identified e.g. where compensation will be delivered through funding. Minimum period for creation or recreation of BAP priority habitats of SSSI standard.	3

2.11. Compensation costings

2.11.1. These figures are calculated to create and maintain replacement habitats for a 30-year period.

2.11.2. Please note the time period for the establishment payment varies between habitats (5, 10 or 20 years) and this affects the maintenance payment required for the 30-year period.

2.11.3. These costs have been updated in March 2021.

Biodiversity Compensation costs per hectare			
Habitat to be compensated	**Cost of establishing habitat per hectare (£)**	**Annual maintenance per hectare (£)**	**Total compensation per hectare over 30 years (£)**
Improved grassland	1,555	95	3,930
Semi-improved poor grassland	1,450	182	5,090
Lowland meadows *	6,520	267	11,860
Lowland dry acid grassland *	5,670	182	9,310
Lowland calcareous grassland *	5,670	182	9,310
Coastal grazing & floodplain grazing marsh *	11,840	194	13,780
Fen	10,500	343	17,360
Marginal & inundation wetland. Reedbeds	6,230	518	16,590
Heathland & shrub creation, including heath/wet heath/acid grass mosaic	8,170	274	13,650
Mixed scrub	1,715	74	3,565
Mixed woodland	4,880	100	6,880
Lowland mixed deciduous woodland	8,800	100	10,800
Wood pasture and parkland	12,490	46	13,410
Traditional orchards	10,190	212	14,430
Hedgerows	45 per metre	7 per metre	220 per metre
Ponds	3,500 per pond	183 per pond	8,075 per pond

Notes

- * includes grassland of local interest and of SNCI quality.
- All figures for Countryside Stewardship (CS) figures, (where available and applicable for the compensation payment rates), are taken from the Countryside Stewardship: Higher Tier Manual applicable from 1 January 2021.
- Where appropriate payment rates are based on the higher costs for establishment as compensation sites are not known prior to payment collection.
- The rates will be index linked.

2.12. Worked examples

Grassland

Habitat and area/length of residual loss	1ha of Grassland of Local Interest classified as neutral lowland meadow Compensation site not known
Total value of compensation required =	Area of compensatory habitat required[1] x (average capital cost of habitat creation + 30 year maintenance costs per ha)[2]
[1]Compensatory habitat required =	1ha (A) x 1.5 (R) x 2 (S) x 1.4 (T) = 4.2ha
[2]Funding required for 1ha Grassland of Local Interest =	£11,860 per ha
Compensation sum required = 1 x 2	4.2 x £11,860 **= £49,812**

Hedgerow

Habitat and area/length of residual loss	Overall loss of 70m of hedgerow on development site: 20m species-rich intact hedgerow 50m species-poor hedgerow with gaps and poached edges grading into a garden hedge with non-native species.
Compensatory habitat required =	For 20m of species-rich hedge, apply the hedgerow multiplier x 2 = 40m For 50m species-poor hedgerow, apply the hedgerow multiplier x 1 = 50m = 90m
Mitigation proposed on-site	50m species-rich native hedge planted adjacent to open green space with buffer margin of a minimum of 2m
Compensation sum required =	40m of compensatory hedgerow habitat at £220per metre for establishment and maintenance over 30 years. **= £8,800**

2.13. The original Defra metrics have been adapted to incorporate a list of Dorset habitats, and their sensitivity and ability to be recreated.

2.14. The value of new habitats created on-site such as ponds, reedbeds and orchards or improvements such as enhancing grasslands swards will be taken into account when evaluating residual biodiversity loss and any compensation required. Their value will depend on the site, adjacent habitat and species and the contribution made to ecological connectivity. Where the mitigation for habitats of low

biodiversity value includes the creation or restoration of priority habitats, these will make a more significant contribution to reducing residual loss compared to replacing 'like-for-like'.

2.15. Financial compensation will be secured via a Section 106 agreement / Unilateral Undertaking between the developer and planning authority or between the developer and Dorset Council (DC).

2.16. For compensation involving third party land an agreement will be required between developer, owner of the compensation site and the planning authority.

2.17. The DC Natural Environment Team (in conjunction with the DC External Obligations Manager via agreements with Local Planning Authorities (LPAs)) will act as co-ordinator and administrator of these funds. Working in partnership with the LPAs, Natural England, the Local Nature Partnership, Dorset Wildlife Trust and other conservation charities as appropriate, the compensation funds will deliver specific area-based projects, providing the best outcomes for Dorset's natural environment / delivering specific compensatory habitat management or creation.

2.18. Compensation monies may be combined to enable larger projects with multiple habitat creation objectives. Further details will be provided when available.

2.19. Financial contribution is encouraged to support the work of Dorset biodiversity organisations and partnerships including Local Planning Authorities, Dorset Council, Natural England, the Local Nature Partnership and the Dorset Wildlife Trust and other conservation charities as appropriate in developing a list of projects.

3. Habitat assessment

3.1. The compensation required for semi-natural grassland, hedges and trees will require a more detailed assessment of their biodiversity value to ensure the correct metric is applied.

3.2. Grassland

3.2.1. Assessment of required grassland mitigation and compensation will depend on the conservation value of the grassland affected by development. Different multipliers are used to reflect the conservation value of grassland types and the difficulty to recreate them.

3.2.2. For the purposes of assessment under the DBAP and the DBCF grasslands are divided into:

- Improved
- Semi-improved (poor)
- Semi-improved grassland of local interest
- Site of Nature Conservation Interest (SNCI) quality grassland

3.2.3. Improved grasslands are defined by Phase 1 habitat survey as grassland dominated by grasses with a low diversity of forb species and more than 50% Lolium perenne, Trifolium repens and other agricultural species.

3.2.4. Residual loss of improved grassland, such as NVC MG 7 and some MG 6 communities which have been improved in the past will require compensation. The risk, spatial and time multipliers used will be 1. The total compensation cost will be the same as for Lowland Meadows.

3.2.5. A distinction is made between the quality of semi-improved grasslands based upon the presence and abundance (DAFOR) of 'indicator species' in the sward.

3.2.6. A list of plants, 'indicator species' which are considered important for assessing biodiversity value of grassland communities in Dorset are listed in Appendix A. The list is based on the Common Standards Monitoring guidance for assessing condition of grassland features (Robertson & Jefferson 2000), adapted for non–statutory sites (Hewins et al 2005). Additional species have been added for Dorset including Dorset Notables, used in the assessment of Site of Nature Conservation Interest (SNCI) sites and other plant species classed as good 'indicators' of grassland status. The list of indicator species will be reviewed from time to time by the SNCI panel and Dorset Environmental Records Centre (DERC).

3.2.7. For grassland to be assessed as a grassland of local interest at least one of the following must apply:

- 2 indicators, which must be Dorset Notables, should be occasional in sward or
- 3 indicator species (Dorset Notables and/or other indicator species) occasional in the sward or
- 4 indicators (Dorset Notables and/or other indicator species) present in the sward.

3.2.8. An indicator plant list including Dorset Notables is produced in Appendix A.

3.2.9. Grassland which is semi-improved but not of local interest quality will be classed as species-poor for the purposes of compensation and the appropriate multiplier used.

3.2.10. Grassland supporting five or more Dorset Notables will be SNCI quality. Development on these sites will be avoided.

3.2.11. Assessment must involve a desk study considering natural conditions of the area, soil type, degree of management and other evidence such as old field boundaries.

3.2.12. Every effort must be made to establish the nature of the grassland through the use a range of resources such as aerials, DERC habitat maps, historical data and pers. comm. with landowners and managers. Desk top information will be particularly important if surveys are undertaken at a sub-optimal time (October to April inclusive).

3.2.13. Field assessment must take place between May and August (September is acceptable on permanent pasture) and before hay cuts.

3.2.14. Issues can arise when surveys are undertaken at the wrong time of year or when fields have been too heavily grazed. If there is a strong indication from desk top information and phase 1 survey that the grassland could be of local interest, the botanical survey must be delayed until the appropriate time.

3.2.15. For habitats of low biodiversity value, the creation of amenity grassland, community gardens (but not residential gardens), Sustainable Drainage Systems and green infrastructure will count towards mitigation for loss of these habitats but not for semi-improved grassland types.

3.3. Hedgerows

3.3.1. A hedgerow is defined as any boundary line of trees or shrubs over 20m long and less than 5m wide, and where any gaps between the trees or shrub species are less than 20m wide (Bickmore, 2002). Any bank, wall, ditch or tree within 2m of the centre of the hedgerow is considered to be part of the hedgerow habitat, as is the herbaceous vegetation within 2m of the centre of the hedgerow. A simplified key in the Defra Hedgerow Survey Handbook (2011) can be used to determine whether or not a feature is classed as a hedgerow.

3.3.2. A simple multiplier is used based on the type and quality of the hedgerow to be lost.

3.3.3. If on-site mitigation or off-site compensation hedgerow planting is not possible, payment of financial compensation will be required in accordance with the multipliers below.

Hedgerow type and quality	**Multiplier applied**
Hedges which qualify as 'Important Hedges' under The Hedgerow Regulations 1997.	3
Species-rich hedges which contain typically 5 or more native woody species on average in a 30-metre length. This multiplier may also apply to the hedges which may have fewer woody species but have a rich basal herbaceous flora.	2
Species-poor hedges which may also include those with exotics /non-natives present.	1

3.4. Trees

3.4.1. Ancient, Veteran and Notable trees require special attention in accordance with the NPPF (2019) and British Standard BS. 5837:2012. Ancient and veteran trees are classed as irreplaceable habitats and must be assessed at the earliest possible stage in the design process with the presumption such trees will be retained. Veteran features such as dead wood and cavities provide valuable wildlife habitats for species such as bats, fungi, birds, invertebrates and lichen.

3.4.2. Where the grant of permission for development will result in the loss of a notable, veteran or ancient tree, the level of compensation tree planting required on- site will be calculated in accordance with recognised methodology Capital Asset Value Amenity trees (CAVAT).

3.4.3. If tree replacement cannot be secured on-site then CAVAT or bespoke discussion with the NET will determine the level of financial compensation required.