

Habitat Banking Vehicle – Briefing Summary

Loan Request



National Context

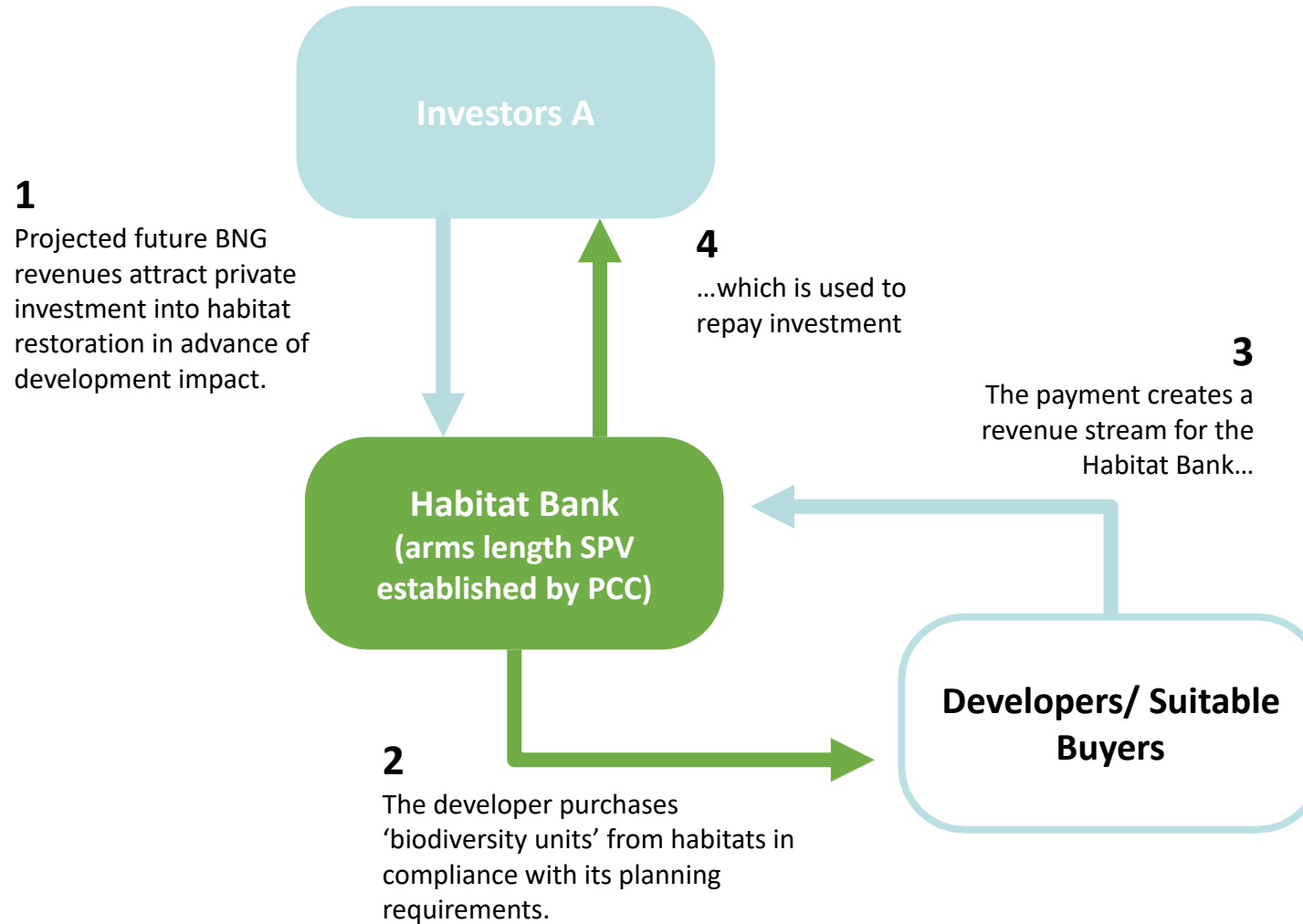
- **Biodiversity Net Gain** policy set out under the **Environment Act 2021** which will come into force January 2024.
- Requires 10% net gain in biodiversity – 30 year maintenance period.
- National requirement.
- This legislation leads to the creation of **Biodiversity Units** (as a form of tradeable currency).

Local Solution

- Create BU on PCC land to sell to developers – improving nature and places for people in Plymouth.
- In March 2023 Cabinet approved the establishment of a PCC-owned group of companies to act as a Habitat Banking Vehicle (HBV).
- Proposal is loan of £500k to deliver approach on 3 PCC owned pilot sites (covering 109 hectares).





Habitat Banking Model



Habitat Banking Vehicle – Pilot Sites



HBV Pilot Sites
Plymouth City Council

Legend
 Pilot sites
 Plymouth Planning Policy Boundary



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- Proposal – PCC is the first ‘Investor’ in the HBV providing £500k of funding to deliver BU on three sites.
- The loan will be paid back over 10 years at commercial rate of 6.75%

CAPEX		
Item	Costs (Loan)	Costs (External)
Project Development	£99,391	
BU Delivery	£372,476	
Vehicle Development		£61,867
Development Contingency	£28,133	
Total	£500,000	£61,867

OPEX	
Item	Cost
Project Maintenance	£5,014,549
Infrastructure cont.	£427,427
Total Loan Servicing	£703,683
PCC Management	£335,429
External services	£219,293
Insurance and Audit	£313,311
Corporate Tax	£387,321
Total	£7,401,011

Income generated.

BU No. 277

@ Average £25,000

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Benefits



- Environment Act will be enacted in 2024 – Doing nothing would mean a net loss in money for nature in the City;
- Proposal builds in enhanced maintenance of the sites for 30 years + infrastructure improvements.
- National pioneer + Locally beneficial

