

From: Abby Thomas
Sent: 04 August 2022 12:15
To: Alastair Sommerville
Cc: Alexis Perry
Subject: B-HPD01 Initial Offer for Biodiversity Units

Follow Up Flag: Follow up
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EmailType: Incoming

PRIVATE AND CONFIDENTIAL

SUBJECT TO CONTRACT

Dear Alastair,

Following our recent discussions, please find set out a proposal for the sale of Biodiversity units for your project in the administrative authority of High Peak Borough Council boundary and in connection with the site and planning permission at Land off Buxton Road, Chinley, High Peak, Derbyshire, SK23 6ES (Planning Reference: DOC/2022/0012 & DOC/2022/0013; National Character Area (NCA): Dark Peak).

1. Habitat Banks are a recognised way to meet BNG Requirements as part of the Environment Act 2021. At Environment Bank we deliver Habitat Banks that:-
 - a) Will be registered on the Gain Site Register (when it comes into effect) and backed by Conservation Covenant or S106.
 - b) Meet the British Standard on Habitat Creation to ensure delivery of the best habitats.
 - c) Deliver the best outcomes for nature, designed by sector leading professionals.
 - d) Are robustly monitored over 30 years meaning less oversight is required from the LPA.
 - e) Are forward funded to provide certainty to you and LPA that the conservation goals of that habitat bank will be met over the 30-year term.
2. As discussed, we do not currently have a Habitat Bank located within the High Peak Borough Council boundary and will be unable to deliver one within your desired timeframes. However, we should be able to provide you with the Biodiversity Units you need from one of our other habitat banks that we are establishing – we have these sites under lease and will be seeking to enter Conservation Covenants (when secondary legislation makes clear how these are to be used and who the responsible bodies will be that manage these) or enter site wide S106's with the relevant LPA's. However, we do not yet have visibility on the timescales in which this will happen while we remain in the transitional period of the Environment Act being fully mandated in November 2023 and as LPA's also await further secondary legislation to be set out.
3. Notwithstanding, in principle, and subject to the consenting authority's approval, the best way for us to meet your Biodiversity Unit needs would be through a Forward Purchase Agreement, the key terms of which would be broadly as follows:
 - a) Grassland (medium distinctiveness) units priced at [REDACTED] per unit. For [REDACTED] units, this would be £120,904.
 - b) Total value of 2.54 units sought: £120,904 + VAT.

- c) An 10% deposit payable £12,090.
 - d) The Environment Bank to deliver an operational Habitat Bank from which the units can be delivered within 6 months of date of formal contract acceptance and signing.
 - e) Units to be drawn down when the Habitat Bank is fully validated with the relevant LPA and the consenting authority and the supply of units made possible.
- 4. Due to the multipliers in the Biodiversity Metric, it will be necessary to review the biodiversity metric at draw down to account for the likely commencement of development to when the habitat bank is established as this may impact on the final number of units required.
 - 5. We will provide you with biodiversity metric outputs relating to the units we provide in order that your ecological team can provide the full BNG accounting detail for the scheme as a whole to meet the needs of the consenting authority.
 - 6. Upon purchase of the Biodiversity Units, we will issue certification of ownership to you that will be shared with the consenting authority to discharge related conditions.
 - 7. Please note this offer is valid for a period of 25 working days and, whilst we are happy for you to outline to your planning officers that you are in conversations with us regarding your net gain obligation, we insist that you do not formally name us as your biodiversity unit supplier (verbally or within formal documentation), until an agreed contract has been entered into and signed, or unless otherwise agreed.
 - 8. **Please note that you may not share our proposed Biodiversity Units pricing with any party, including the consenting authority. This information is strictly confidential.**

I hope this proposal may be of interest to you. Once you have reviewed and if happy to proceed, please provide written confirmation (via email) and we will be able to share the Forward Purchase Agreement documentation with you. We also recognise that there are a number of factors to consider here. As a result, our Commercial Director would be pleased to discuss some of the complexities of this with you further, so that it is fully understood and so that we can hopefully support you in resolving this issue.

I look forward to hearing from you in due course.

Best wishes,

Abby Thomas



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