



Nature recovery and environmental mitigation opportunities In Havant Borough

July 2026



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1. Introduction

- 1.1. This paper explores options for income generating nature recovery opportunities on land within Havant Borough. The intended purpose of this paper is to highlight the potential for alternative land uses to built development in the context of Havant Borough Council's Building a Better Future Local Plan.
- 1.2. The paper explores opportunities for the following:
 - Strategic nature recovery
 - Biodiversity Net Gain
 - Strategic bird mitigation
 - Green and Blue Infrastructure
 - Habitat Compensation and Restoration Programme
 - Nutrient mitigation
 - Stacking environmental benefits
 - Nature recovery finance

2. Strategic nature recovery

Nature recovery

- 2.1. Nature conservation and biodiversity action in the UK is undergoing a cultural shift. It is now recognised that the traditional reliance on formal nature reserves and other protected areas as a means to protect biodiversity has not alone been sufficient to prevent declines in nature. This shift stems from the influential 2010 Lawton Review ‘[Making space for nature: a review of England's wildlife sites](#)’. The focus from government, statutory agencies and non-governmental organisations is now very much on nature recovery, meaning that opportunities for biodiversity protection and enhancement need to be widespread, innovative, bigger, better, and more joined up.
- 2.2. The UK Government set out a new framework of environmental targets under the [Environment Act 2021](#). This includes ambitious targets for nature recovery, with the objective to halt the decline in nature by 2030. The Environment Act embeds the need for strategic action for nature recovery.

Environmental Improvement Plan

- 2.3. The [Environmental Improvement Plan](#) was published in December 2025 and comprises a reviewed and updated version of the previous [25 Year Environment Plan](#). It provides a delivery framework for the 25YEP, setting out what the UK will do to improve the environment within a generation. The EIP has statutory status.
- 2.4. Together, the Environment Act and the Environmental Improvement Plan form an ambitious framework for delivering large-scale nature recovery in England. It is clear that the UK Government's position on nature recovery is based around delivery at scale, and statutory bodies such as Natural England are encouraged to facilitate that delivery. Natural England's new Strategy - [Recovering Nature for Growth, Health and Security](#) – demonstrates a new approach that is about flexibility and delivery. In the context of nature recovery on private or public land, it is anticipated that this will be easier to deliver and with more flexible regulatory requirements for so-called ‘responsible operators’.

Local Nature Recovery Strategy

- 2.5. The [Local Nature Recovery Strategy \(LNRS\) for Hampshire](#) provides a framework for nature recovery delivery across Hampshire. It was launched in December 2025 and is a statutory requirement under the Environment Act 2021. The LNRS:
 - Guides how nature recovery will take place in Hampshire and has a particularly important role in guiding how Biodiversity Net Gain (BNG) is delivered across the Strategy area.
 - Sets out the priorities for achieving the best outcomes for nature recovery, while providing options and opportunities which will support the wider strategies of the County Council and partner authorities.
- 2.6. Sites have been identified where interventions such as habitat creation or enhancement can have maximum benefit and that will, through inclusion in the LNRS, have widespread support from a

regulatory viewpoint. It is hoped that public and private landowners will utilise the LNRS to help guide proposals for habitat creation, enhancement and restoration.

- 2.7. In the context of Biodiversity Net Gain (BNG), the LNRS can provide an attractive uplift in BNG units compared to land outside the LNRS. In practice, providing BNG habitat that is within the LNRS achieves a 15% uplift in biodiversity value, meaning that a landowner offering BNG units within an LNRS area could attract a greater financial return from developers seeking BNG units than a comparable area not within the LNRS. BNG implications are explained further in section 3 below.

3. Biodiversity Net Gain

- 3.1. **Biodiversity Net Gain (BNG)** became mandatory for certain types of development in 2024. BNG is a significant change in the approach to addressing impacts from built development on the natural environment. The Environment Act (2021) makes BNG a mandatory requirement. All planning permissions granted in England (with a few exemptions) have to deliver at least 10% biodiversity net gain. It is measured using DEFRA's **Biodiversity Metric** and habitats need to be secured and managed for at least 30 years.
- 3.2. BNG does not replace existing legislation, policies, or obligations related to the natural environment. It is an additional, new mechanism for measuring and addressing biodiversity impacts resulting from new development.
- 3.3. BNG is designed to deliver measurable improvements for biodiversity by enhancing or creating habitats in association with development. It has the potential to become a powerful mechanism for nature recovery, and can provide land owners with an alternative, long-term source of income.

Delivering BNG

- 3.4. BNG can be achieved on-site, off-site or through a combination of on-site and off-site measures (Figure 1). Where a development cannot deliver any or all of its BNG requirements on-site, it must be delivered off-site.

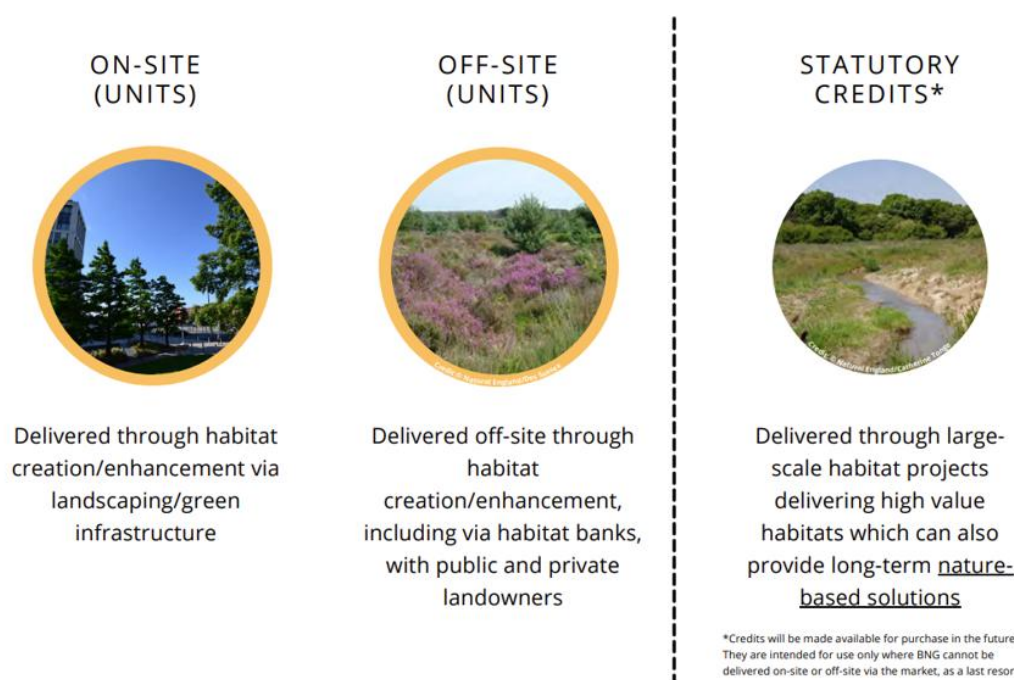


Figure 1: BNG delivery options (Natural England¹)

¹ Natural England BNG Brochure

- 3.5. Off-site BNG can be delivered on land owned or controlled by the developer, or on third-party land. This third-party land is called a habitat bank. Alternatively, BNG requirements can be purchased in the form of Statutory Credits from the government.

Habitat banks

- 3.6. A habitat bank is an area of land set up solely for the purpose of delivering BNG habitat, hedgerow, or watercourse² units for sale. In order to become a habitat bank, the land must be registered on DEFRA's [Biodiversity Gain Site Register](#).
- 3.7. Information for landowners who wish to set up a habitat bank can be found on the gov.uk website [Sell biodiversity units as a land manager - GOV.UK](#). In summary, a habitat bank will need to calculate the type, extent and condition of existing habitats and then decide what types of habitats can be created or enhanced. For example, it may be possible to convert crop land into permanent grassland, to create ponds within existing grassland or crop land, or to create new woodlands or orchards.
- 3.8. Habitat banks situated in areas identified in the LNRS will benefit from a 15% BNG unit uplift: in other words, a BNG unit on a habitat bank identified in the LNRS is worth 15% more than a similar unit elsewhere. This means that the LNRS habitat bank landowner could maximise the financial potential of their land – a developer requires less land area to meet their BNG unit needs and so a greater number of units is available for sale by the habitat bank owner.
- 3.9. BNG is perhaps best suited to marginal farmland where returns are poor or difficult, although the fact that the BNG market is still developing means that potential returns are currently high across the board.

Leasing land for habitat banks

- 3.10. One route to creating habitat banks is through leasing land to a specialist habitat bank business. There are a number of companies providing this service, offering the following benefits:
- Land ownership retained
 - Bespoke habitat bank, suited to existing farm business
 - 30-year lease costs covered in advance = guaranteed income
 - Expert ecological advice provided
 - Revenue shared between landowner and habitat bank company
- 3.11. The management of the habitat bank would normally be carried out by the landowner, but other options are possible e.g. a third-party specialist habitat management company. It is important to note that BNG requires that habitats are managed and monitored for a minimum of 30 years.

Conservation Covenants

- 3.12. Conservation covenants are private, voluntary agreements between a designated responsible body and a landowner (or leaseholder) to deliver lasting conservation benefits. Each conservation covenant will describe what the responsible body and landowner will do to help conserve the land

² These are the three BNG unit types – habitat (area based), and hedgerow and watercourse (linear).

for public good. They are bespoke agreements so they can be tailored to suit different circumstances.

- 3.13. The government maintains a register of responsible bodies who are able to enter into conservation covenants with landowners. In practice, a landowner could enter into a conservation covenant with a responsible body such as a local Wildlife Trust. Agreed management operations are carried out by the landowner – either financed by the landowner, through other private finance, or through funding from mitigation schemes – and monitored by the responsible body.

Securing BNG units

- 3.14. A developer in need of BNG units can purchase those from a habitat bank. The units are secured through a legal agreement such as a Section 106 agreement or conservation covenant. The habitat bank agrees to provide the required habitat units and must manage and maintain those for a period of at least 30 years. The developer or habitat bank owner must provide regular monitoring updates to the Local Planning Authority for the 30-year period.

BNG off-site market

- 3.15. Two years on from the introduction of mandatory BNG, there is an emerging and growing BNG market. A number of organisations have carried out detailed analysis of the BNG market: several of these are shown in Table 1.

Table 1: BNG market analysis examples

Analysis Source	Date	Link
Carter Jonas	February 2025	Biodiversity Net Gain Research Report 2025 Carter Jonas
Biodiversity Units UK	July 2026	https://www.biodiversityunits.com
Environment Bank	June 2025	The comparative value of on-site vs off-site Biodiversity Net Gain for restoring nature
The Wildlife Trusts/EFTEC	August 2025	Well-functioning BNG Final report

BNG pricing and supply

- 3.16. The most recent BNG off-site market analysis (Biodiversity Units UK, July 2026) provides the following pricings and supply levels for different habitat types:

July 2026

BNG Pricing - England (South)



Habitat Type	Habitat Distinctiveness	In LPA / NCA Price	Supply Levels
Other Neutral Grassland	Medium	£24,336	Abundant
Woodland and Forest	Medium	£34,086	Abundant
Heathland and Shrub	Medium	£27,522	Abundant
Lakes/Ponds Non Priority Habitat	Medium	£52,286	Medium
Lowland Meadows	Very High	£32,810	Abundant
Watercourses - Ditches	Medium	£93,207	Medium
Watercourses - Other Rivers and Streams	High	£141,163	Medium
Watercourses - River (Priority Habitat)	Very High	£165,244	Rare
Individual Trees	Medium	£28,635	Medium
Traditional Orchards	High	£31,655	Medium
Wet Woodland	High	£48,950	Rare
Mixed Deciduous Woodland	High	£46,436	Medium
Open Mosaic Habitat	High	£50,971	Rare
Floodplain Wetland Mosaic	High	£48,906	Medium
Hedgerows	Medium	£25,788	Uncommon
Hedgerows	High	£28,332	Medium
Wood Pasture and Parkland	Very High	£43,372	Scarce
Calcareous Grassland	High	£41,814	Uncommon

*Prices shown represent one Offsite BNG Unit, assuming no Spatial Risk Multiplier applies.

Figure 2: BNG off-site unit pricing and supply levels for England South July 2026
(<https://www.biodiversityunits.com>)

- 3.17. From the latest analysis, there appears to be an adequate (or excessive) supply of habitats such as Other Neutral Grassland, Lowland Meadows, and Heathland & Scrub. These are generic habitat types that are relatively simple to create and manage. Most habitats impacted by development will be some form of grassland or scrub.
- 3.18. Habitats that are less easy to create or enhance, and for which there may be greater demand than the market can currently service, include woodlands (wet and dry), ponds and lakes, watercourses and wetlands, calcareous grassland, and Open Mosaic Habitat (brownfield habitat).
- 3.19. There are clearly opportunities for willing landowners to capitalise on these market trends and provide habitats that are in high demand but short supply. In the context of Havant Borough these would include Open Mosaic Habitat (or a functional equivalent), wetlands (including ponds), calcareous grassland, and woodlands.
- 3.20. Land being used to provide BNG units is itself exempt from BNG: a landowner converting grassland to woodland would not need to compensate for the loss of grassland.

Government BNG Consultation 2025

- 3.21. The government published a consultation on the BNG process between May and October 2025. Among various possible changes to the BNG process, it was proposed that for smaller developments the requirement to prioritise on-site BNG delivery could be removed. This would allow those developers to seek off-site BNG as a first option, thereby potentially providing a boost to the off-site BNG market.

- 3.22. The purpose behind this proposed amendment is to focus BNG efforts to larger, more impactful habitat works off-site rather than small, piecemeal habitats within development sites that may be more difficult to maintain and monitor. Changes to BNG are expected to be published in 2026.

BNG and LNRS Examples

- 3.23. The recently published LNRS provides many opportunities for landowners to benefit from the link between BNG and LNRS measures.
- 3.24. Figure 3 shows some areas of land included within the LNRS mapping and identified as suitable for various measures to enhance habitat. This example shows two groups of LNRS Measures – these are actions that can be taken to enhance land or create new habitat and which will attract the 15% BNG uplift.



Figure 3: Examples of potential BNG opportunities from land identified in the Hampshire LNRS

SWBGS Sites

- 3.25. Solent Wader & Brent Goose Strategy (SWBGS) sites are included in the LNRS Measures mapping as there are many opportunities to adapt management or create new habitats to enhance these sites for migratory wintering bird species. There are four measures that could be undertaken:

- 1) Management and restoration of coastal floodplain grazing marsh
- 2) Managing public access and dogs
- 3) Creation and management of wet grassland for waders
- 4) Management of grassland for target features (i.e. bird species)

3.26. An existing SWBGS site situated on farmland could relatively easily be enhanced to meet these LNRS actions. For example, a site could be fenced to prevent informal public/dog access, a series of shallow wetland scrapes could be created, and grassland could be managed to attract feeding or roosting birds. Low density beef or dairy grazing could be introduced to create better grassland structure to attract birds and other wildlife. These measures combined could create a valuable permanent refuge for bird species and enhance biodiversity overall. Further information on the SWBGS is provided in section 4 below.

Riparian Buffers

- 3.27. Riparian buffers are strips of structured natural vegetation deliberately left adjacent to watercourses. They are designed to capture nutrients, pollutants, and sediment from run-off, thereby preventing impacts to watercourses and the wider water environment. Buffer strip vegetation also serves to promote biodiversity more generally, providing high-quality habitat corridors through the landscape.
- 3.28. Land containing watercourses could be managed to create buffer strips containing grassland, herbaceous vegetation or woodland/scrub.

Other LNRS Measures

- 3.29. In addition to the two examples detailed above, other LNRS measures could be achieved on public or privately owned land in the borough.
- 3.30. There are a number of Sites of Importance for Nature Conservation (SINC) identified in the LNRS that would be suitable for habitat enhancement/restoration opportunities. SINC's are locally designated sites containing important habitat types and there are over one hundred across the borough. These sites are often grassland and the proposed LNRS measures relate to the management of grassland to enhance species richness.
- 3.31. Other sites such as woodland are also included in the LNRS, with opportunities identified for the creation of new woodlands or the management of existing woodlands to enhance their ecological condition. Woodland management might entail the removal of invasive species or the reinstatement of coppice management.

4. Strategic bird mitigation

Solent Waders & Brent Goose Strategy

- 4.1. The [Solent Waders and Brent Goose Strategy \(SWBGS\)](#) is an initiative that aims to identify and protect the Solent-wide network of terrestrial sites used for feeding and resting by wintering bird species associated with the Solent Special Protection Areas (SPAs) and Ramsar sites. In law, these terrestrial sites lying outside the boundaries of protected sites are treated as protected sites.
- 4.2. Bird survey data are used to identify and categorise sites for their importance to wintering birds. Sites can vary in importance, from the most important Core Sites (which regularly support very large numbers of birds) through to Low Use Sites (which may only be used infrequently by low numbers).
- 4.3. The SWBGS is used to inform land management decisions such as development planning, ensuring that impacts to terrestrial bird habitat are considered properly. Impacts to terrestrial bird habitat located outside the Solent's protected sites are treated as analogous to impacts to the protected sites: any developer proposing impacts to this habitat must provide appropriate mitigation.
- 4.4. Most terrestrial sites are within farmland or on recreational grassland. Particularly on farmland, there is no guarantee that suitable habitat will be available to birds each year (not all crop types are suitable). On recreational grassland, levels of human disturbance can change too. Both these factors mean that the extent of habitat available to birds each winter can vary widely.
- 4.5. Development proposals with the potential to impact SWBGS sites must carry out detailed assessment of those impacts before planning permission is granted. Impacts can take the form of direct loss of habitat, noise and visual disturbance (e.g. from development construction activity), or the effects of increased recreational pressure. These impacts can result in disturbance to birds, meaning that they must expend energy finding undisturbed places to feed and rest. Where impacts are identified, mitigation action must be taken.
- 4.6. In some cases, alternative habitat can be provided. Permanent refuge habitat for birds - where secure habitat is created and maintained every year - can be secured through the planning process, meaning that suitable habitat can be guaranteed. [Guidance on appropriate mitigation measures](#) is provided by the SWBGS Steering Group.

Bird refuges

- 4.7. Development sites impacting SWBGS supporting habitat must provide alternative habitat as mitigation. Existing land such as agricultural land can be used to provide long-term terrestrial habitat for wintering bird species. Figure 4 below shows examples of potential locations for permanent bird refuges in Havant Borough, on Hayling Island. This is not a comprehensive selection, and opportunities will occur elsewhere across the borough's coastal fringe.
- 4.8. Hayling Island and coastal areas of the mainland are particularly suitable for permanent bird refuges. The proximity to the coast, coupled with existing high usage of coastal farmland by Dark-

bellied Brent Geese in particular, means that proposed refuges in these locations are likely to be successful.

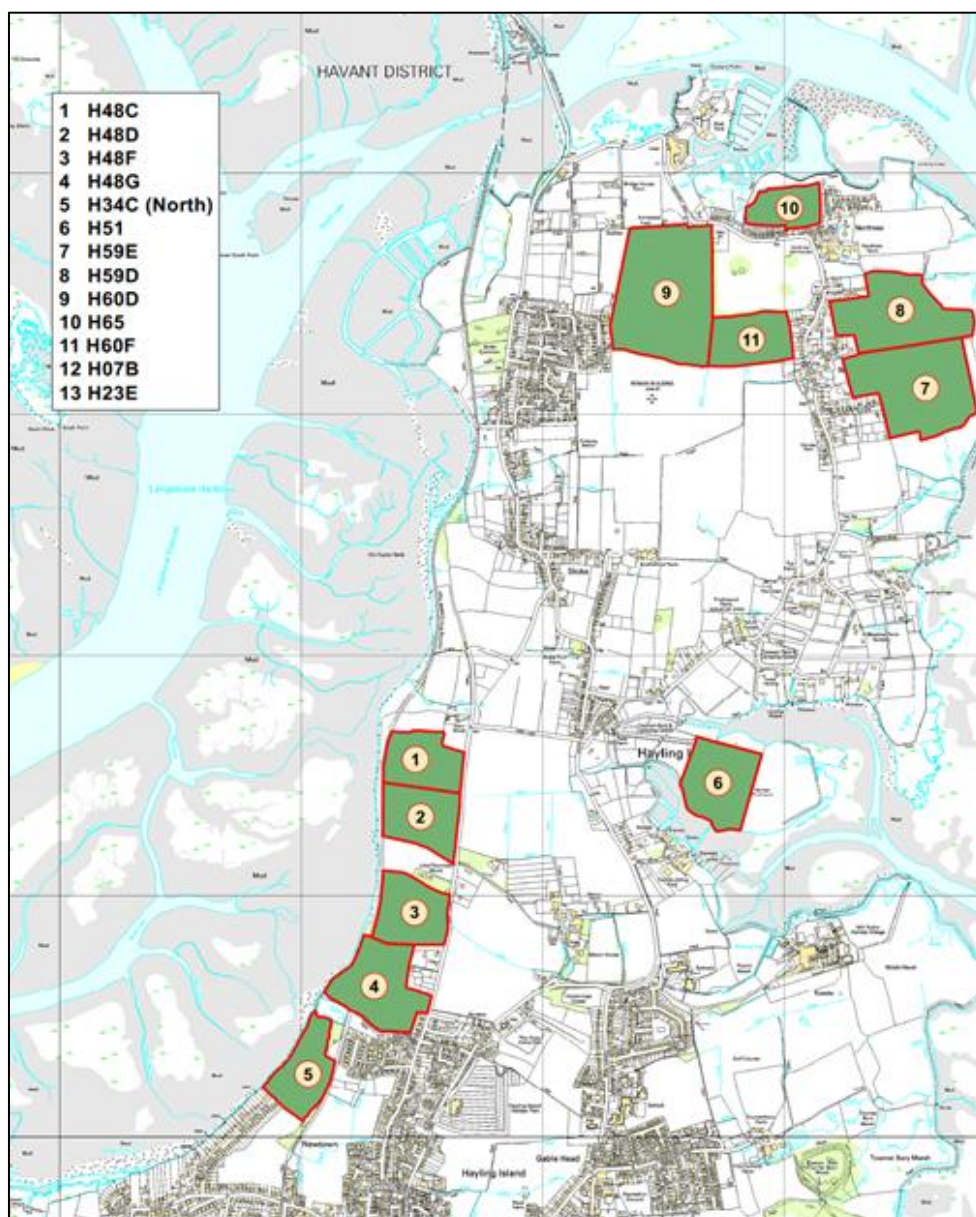


Figure 4: Examples of potential permanent bird refuge site locations on Hayling Island

Bird refuge habitat

- 4.9. Bird refuges would provide suitable grassland habitat throughout the wintering period between October and March. Suitable habitat for Dark-bellied Brent Geese for example would comprise short, palatable, improved grassland of c.6cm height. Cutting or low-density cattle grazing may be required at intervals throughout the wintering season to maintain optimal grass height.
- 4.10. Grass refuges could be further enhanced through the creation of shallow wetland scrapes to attract wader species. Some refuges would benefit from seasonal or permanent fencing to prevent

informal public access. The use of bird decoys could be considered to attract wild birds to the refuge.

- 4.11. The use of existing arable farmland to create permanent grassland for wintering bird species would also attract benefits in terms of nutrient mitigation and potentially flood management.

5. Green and Blue Infrastructure

- 5.1. Land within the Borough could be utilised for the provision of new green and blue infrastructure. Green and Blue Infrastructure (GBI) is defined in the National Planning Policy Framework (NPPF) as ‘a network of multi-functional green and blue spaces and other natural features, urban and rural, which is capable of delivering a wide range of environmental, economic, health and wellbeing benefits for nature, climate, local and wider communities and prosperity’.
- 5.2. In Havant Borough the existing network of GBI includes public parks, playing fields, trees and woodland, hedgerows, private gardens, rivers and streams, ponds and ditches, sustainable drainage systems, road verges, allotments, and the wider open countryside and coastline. This network is fundamental in providing multi-functional benefits to residents, visitors, biodiversity, climate action, and the economy.
- 5.3. There is abundant evidence that access to GBI leads to positive health, wellbeing and developmental outcomes across all age groups. Improving access to multi-functional ‘natural’ places improves social equity especially for economically, socially, or physically disadvantaged groups. Providing access to diverse, nature-rich GBI within reach of local communities promotes social interaction, community cohesion, physical activity, play, educational opportunities, community food growing, and sustainable, safe travel.
- 5.4. Well-designed GBI delivers accessible, attractive, and nature-rich spaces that complement and enhance the character of local communities, create a sense of place, increase land and property values, increase accessibility, provide climate resilience, and encourage economic activity and investment.
- 5.5. The Council welcomes innovative and imaginative solutions for new GBI. The design of new GBI can be aided by detailed published guidance such as Natural England’s ‘[Green Infrastructure Planning and Design Guide](#)’ and ‘[The Environmental Benefits from Nature Tool](#)’.
- 5.6. In addition, new GBI provision would be supported where it accords with strategic-level requirements such as the Partnership for South Hampshire’s ‘[South Hampshire Green Infrastructure Strategy](#)’ (2017 - 2034) , the [Havant Biodiversity Strategy](#) , the [Havant Climate Change Strategy and Action Plan 2024–2030](#), the [Havant Active Wellbeing Strategy 2025–2030](#), and the Local Nature Recovery Strategy for Hampshire.

Evidencing GBI value

- 5.7. Whilst many of the benefits of good quality GBI are qualitative, there are tools available to allow quantitative assessments to be made of GBI measures. These provide calculations for the financial benefits to, for example:
 - **Employment** – how GBI is creating/supporting a local workforce
 - **Economy** – how GBI is supporting local business
 - **Community** – benefits to health, wellbeing, social inclusion, volunteering, education

- **Environment** – biodiversity, carbon storage, flood alleviation

- 5.8. There are several commercial companies offering sophisticated analysis of potential social value to support GBI schemes.

Outdoor Recreation Valuation Tool (ORVal)

- 5.9. **ORVal** is a map-based model that allows basic valuations of the existing ‘welfare value’ of open spaces. Welfare relates to the sense of well-being or utility that an individual feels from their experiences of visiting an open space rather than doing something else. The welfare value of a site is a monetary estimate of the extra welfare enjoyed by adult residents from being able to access that site. The model is based on real data collected on the recreational behaviour of a large, representative sample of adults (over 16 years of age) resident in England.
- 5.10. As an example, for the Council’s West Hayling Local Nature Reserve ORVal provides the following welfare values, filtered by Office for National Statistics socio-economic groupings³.

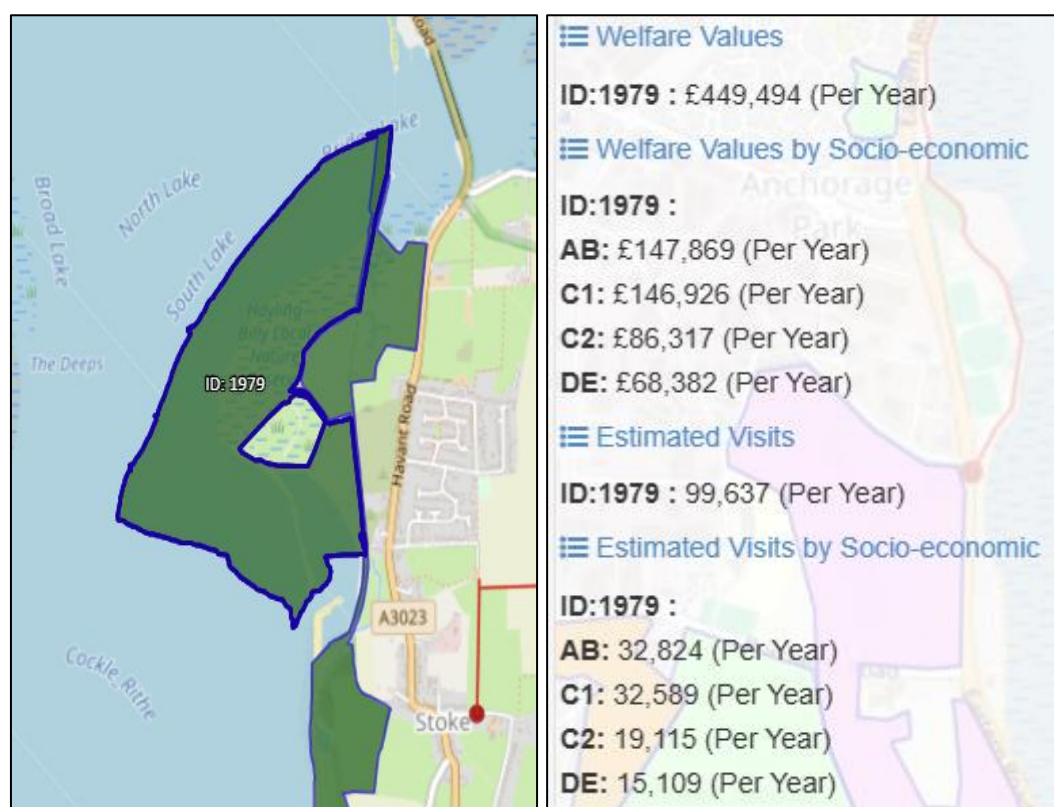


Figure 5: Examples of ORVal social value calculations at West Hayling Local Nature Reserve

- 5.11. Tools such as ORVal can be used to assess the social value outcome benefits of potential GBI sites, allowing landowners to model various scenarios and understand the actual or potential financial benefit of social value from new GBI.

³ [Approximated Social Grade, England and Wales - Office for National Statistics](#)

- 5.12. Combining nature recovery with social value benefits is attracting much attention. The Chartered Institute for Ecology and Environmental Management (CIEEM) has recently published an [article](#) detailing how social value and nature recovery can be delivered side-by-side.
- 5.13. Natural England have also recently published evidence and guidance on how access to nature delivers critical benefits to the nation's health outcomes: [Healthy Outdoors: Strengthening the Evidence for Nature Based Health Interventions – Natural England](#)

Greening the Grey

- 5.14. Greening the Grey refers to the innovative process of integrating natural, green elements into existing or new grey infrastructure such as concrete seawalls, buildings, pavements, and street furniture. This approach enhances biodiversity, improves environmental quality, and adds aesthetic value, all while maintaining the primary engineering and functional roles of the structures.
- 5.15. This concept complements Blue-Green Infrastructure (BGI) by extending the benefits of natural systems into traditionally hard, built environments. By embedding vegetation, green walls, permeable surfaces, and habitat features into grey infrastructure and development projects, with the aim to improve urban resilience, lower temperatures, manage stormwater more effectively, and create habitats for local wildlife.
- 5.16. There is almost always an opportunity to improve proposed schemes by incorporating greening elements. By applying Greening the Grey principles, projects not only address functional needs but also contribute to healthier, more attractive, and sustainable urban environments.

6. Habitat Compensation and Restoration Programme

- 6.1. The Habitat Compensation and Restoration Programme (HCRP) is the Government's approved mechanism for delivering strategic habitat compensation for Flood and Coastal Erosion Risk Management (FCERM), to ensure compliance with the Conservation of Habitats and Species Regulations 2017 (as amended) (commonly referred to as the Habitats Regulations). The HCRP is the delivery programme for creating the compensatory habitat required from Shoreline Management Plans (SMPs), which identified the amount of habitat required to address the adverse impacts on European sites from the SMP policies due to coastal squeeze and saline inundation impacts.
- 6.2. The HCRP is led by the Environment Agency, and in the Solent and South Downs area, Coastal Partners (hosted by Havant Borough Council) is working with the Environment Agency to deliver the programme.
- 6.3. The Solent and South Downs HCRP needs to create the following habitats to enable the delivery of future coastal risk management schemes:
- Saltmarsh and mudflats
 - Coastal and floodplain grazing marsh
 - Freshwater habitats
 - Saline lagoons

Existing and pipeline HCRP schemes

- 6.4. Several habitat compensation schemes have already been completed in the Solent and South Downs area. These include the following sites:

Lymington Water Level Management Scheme

- 6.5. Implemented in September 2010, this compensation scheme re-established tidal exchange in the Lymington River through the introduction of self-regulating tide gates at the Bridge Road crossing. The reedbed increased upstream and laterally as willow scrub died back and woodland retreated 5-20 metres inland. The reedbed cover increased from 40% in 2009 to 90% in 2014. Rank fen vegetation and nettles died off as a result of saline inundation. Invasive non-native species present in 2009 were largely removed from the reedbed by 2014. Overall, this compensation scheme created 21 hectares of tidal reedbeds upstream of the bridge.

Medmerry Managed Realignment Scheme

- 6.6. Completed in 2013, this compensation scheme created 183 hectares of new intertidal habitat comprising of 158 hectares of saltmarsh and 25 hectares of mudflat. At the time, it was the largest open coast managed realignment scheme in Europe. In addition to the intertidal habitats, there are also reedbeds and freshwater ponds and ditches that provide habitat for water voles and aquatic invertebrates. The site is managed as a nature reserve by the RSPB and has already

seen increasing populations of breeding and wintering wildfowl and wading birds – a highlight was a pair of Black-winged Stilts successfully breeding in 2014.

Manor House Farm

- 6.7. Manor House Farm is a 90-hectare site located in the lower Test Valley. The site was identified as a potential area to create 69 hectares of floodplain grazing marsh that, in time, with predicted sea level rise and increasing tidal influence, will evolve into coastal grazing marsh. The scheme will also create 17 hectares of freshwater habitats, including ponds, reedbeds, grassland and wet woodland. The Environment Agency purchased the site in March 2018, and the habitat creation scheme is being implemented and managed by the Hampshire and Isle of Wight Wildlife Trust.

Future HCRP schemes

- 6.8. The Environment Agency is currently progressing an intertidal habitat creation scheme at Marker Point on Thorney Island and is looking at options for the future management of Farlington Marshes. Further information on the Thorney Island Habitat Creation Scheme is available on the project webpage at the following link: <https://consult.environment-agency.gov.uk/solent-and-south-downs/thorney-island-habitat-creation-scheme-information/> and information on the Farlington Marshes project is available here: <https://consult.environment-agency.gov.uk/solent-and-south-downs/farlington-marshes/>.
- 6.9. In addition to these pipeline schemes, the Environment Agency and Coastal Partners are keen to hear from landowners who would like to explore habitat creation opportunities working in partnership with the HCRP. There are a variety of approaches and mechanisms for delivery of HCRP habitat creation sites, including site purchase, lease agreements, long term management agreements and/or conservation covenants. There is considerable opportunity within Havant Borough to deliver the compensatory habitats required by the HCRP, especially on land within and adjacent to Chichester and Langstone Harbours.
- 6.10. Timescales for habitat compensation projects are very long-term, entailing in perpetuity agreements (usually 100 years). The purpose of these long timescales is to ensure that the compensatory habitat benefits last for the duration of the Shoreline Management Plans and their impacts.
- 6.11. Further information on the Solent and South Downs HCRP is available on the Southern Coastal Group website here: <https://southerncoastalgroup-scopac.org.uk/hcrp/>.

7. Nutrient mitigation

- 7.1. The water quality on our coast can be affected by excessive levels of nitrates which can come from a number of sources, including wastewater from new housing development.
- 7.2. New housing development is only acceptable if it meets the requirements of environmental protections set out in law. All new housing development must assess whether there would be a detrimental impact on the water quality of our protected coastline as a result of wastewater.
- 7.3. In order for development schemes to be permitted, they need to be 'nutrient neutral'. Development schemes which are not nutrient neutral cannot lawfully be granted planning permission. Where development sites are unable to achieve nutrient neutrality, they must purchase nutrient credits from a recognised nutrient mitigation scheme.
- 7.4. With regards to future development, two fundamental approaches to nutrient mitigation exist. These are:
 - **On-site mitigation:** Where mitigation methods are implemented at the site of development that reduce nutrient output. Examples include on-site treatment plants, or (only with former agricultural sites) delivering open space provision or more bespoke solutions such as reed beds.
 - **Off-site mitigation:** This is where each new development financially contributes towards a third-party scheme that is not part of the development per se.

Nutrient neutrality in Havant Borough

- 7.5. Details of how nutrient neutrality can be achieved in Havant Borough can be found in the Council's [Position Statement and Mitigation Plan for Nutrient Neutral Development](#).
- 7.6. There are two wastewater treatment works that serve Havant Borough: Emsworth drains to Thornham WWTW, the rest of the Borough drains to Budds Farm WWTW. The two WWTW in Havant borough serve two different drainage catchments. Budds Farm serves the large East Hampshire Rivers catchment and Thornham serves the Western Streams catchment.
- 7.7. Since the introduction of strict nutrient neutrality regulation, a number of strategic nutrient mitigation schemes have been developed covering the various Hampshire drainage catchments. Figure 6 shows the location of nutrient mitigation schemes in Hampshire as of April 2025.
- 7.8. A developer can choose to undertake on-site measures to achieve nutrient neutrality or can purchase mitigation credits from a strategic third-party off-site scheme. In all cases it will need to be established that there is a clear scientific link between a proposed development (the purchaser of off-site nutrient mitigation credits) and the mitigation scheme to ensure the development in question is nutrient neutral. Any third-party off-site mitigation scheme would also be required to provide supporting evidence to the Council to conclude that the mitigation principles set out in Natural England's nutrient neutrality guidance have been met.



Figure 6: Approved nutrient mitigation schemes in Hampshire, April 2025
(Solent Mitigation Partnership, 2025)

Off-site mitigation options

- 7.9. Off-site nutrient mitigation usually entails the conversion of arable farmland to permanent grassland, or the reduction of grazing density on existing grassland. It can also involve the creation of wetland features such as ponds, lakes and reedbeds to store or slow water.

Examples of off-site mitigation schemes

- 7.10. The following are examples of nutrient mitigation schemes currently approved to address nutrient neutrality from development in Havant Borough. The Council has entered into legal agreements with each of these schemes.

Warnford Park

- 7.11. The **Warnford Park nutrient mitigation scheme** is located in the Meon Valley and comprises a large-scale woodland planting scheme on former arable and intensive grazing land. The new woodland also enhances biodiversity and allows for public access. The scheme is authorised by Natural England to serve the East Hampshire Rivers Catchment.

Whitewool Farm

- 7.12. The **Whitewool Farm scheme** is a created wetland on former arable land. A narrow artificial stream channel was subject to naturalisation to create meanders and associated floodplain wetland habitats. Wetland flora and trees have been planted. The scheme also provides flood alleviation. The scheme is authorised by Natural England to serve the East Hampshire Rivers Catchment.

Warblington Farm

- 7.13. The **Warblington Farm scheme** is run by Havant Borough Council and comprises former intensive arable land converted to permanent grassland. The scheme serves both the East Hampshire Rivers and Western Streams catchments.

Knowle Wetlands

- 7.14. The Knowle Wetlands scheme is a series of constructed wetland habitats designed to intercept nutrients from the Knowle Sewage Treatment Works before wastewater enters the river Meon. The scheme serves the East Hampshire Rivers catchment.

Land at Stubbington

- 7.15. The **Land at Stubbington scheme** is an area of former intensive arable land that has been converted to permanent grassland. The scheme is run by the Solent Mitigation Partnership and serves the East Hampshire Rivers catchment.

Timescales

- 7.16. Timescales for nutrient mitigation are usually very long-term, entailing agreements of up to 125 years. The purpose of these long timescales is to ensure that the nutrient neutrality benefits last for the anticipated duration of the proposed development site and its impacts.

8. Stacking benefits

- 8.1. The options for nature recovery and other environmental initiatives detailed in this paper can potentially be layered or stacked to provide multiple benefits on the same area of land. Stacking is when multiple credits or units from different environmental mitigation schemes are sold separately from the same activity on a piece of land. Credits or units can be sold to the same or different purchasers.

Current guidance

- 8.2. Current government guidance on environmental mitigation stacking is in need of updating, but does provide a useful summary of current thinking, particularly around which mitigation schemes can be stacked and how. The guidance also provides advice on how stacking fits with existing land agreements such as farm payments e.g. Sustainable Farming Initiative, Countryside Stewardship which will be important considerations for private landowners of farmland.
- 8.3. The key factor in stacking is that there must be additionality – this means that any benefit being claimed must be in addition to what would have happened anyway. For example, it is not possible to claim BNG units for habitat creation or enhancement that are already legally required or being delivered under another environmental mitigation scheme unless certain strict conditions are met.
- 8.4. Further information is provided by the government in the ‘[What you can count towards a development's biodiversity net gain](#)’ guidance for developers wishing to seek BNG units:
- 8.5. *‘You cannot include some habitat schemes in BNG calculations at all. There are other schemes that you can include:*
- *in full - for enhancing actions, such as green infrastructure (a developer can satisfy all their BNG requirements through the works, receiving 110% of their biodiversity units through them)*
 - *in part - for mitigation and compensation actions, such as nutrient mitigation (at least 10% of the developer's biodiversity units must come from additional activities other than mitigation and compensation)*
- 8.6. *Example: a developer already has to do nutrient mitigation to compensate for impacts on protected species. This counts in part towards BNG, so at least 10% of their total (110%) BNG should come from measures which are not nutrient mitigation. The development needs to achieve 11 biodiversity units, so nutrient mitigation can count for 10 of these units. At least 1 unit should come from other on-site or off-site gains or statutory biodiversity credits’.*
- 8.7. In other words, nutrient mitigation can be stacked with BNG so that 90% of the required BNG is delivered on land already providing nutrient mitigation. At least 10% of the required BNG must be new and additional to the nutrient mitigation already taking place.

Examples

BNG and Nutrient Mitigation

- 8.8. The most widespread option for stacking environmental benefits arises from BNG and nutrient mitigation. As an example, an area of farmland is taken out of arable cultivation and converted to permanent grassland. The land is managed as grassland by the landowner and nutrient credits are sold to developers through an approved mitigation scheme.
- 8.9. The landowner later wishes to benefit from offering BNG units to developers. It would be possible to stack the existing nutrient benefits – that land is taken out of arable cultivation and managed as grassland for a set period of 80 years – with additional measures for BNG such as enhancing the botanical condition of the grassland. It is clear that the enhanced grassland is additional to the function of the land as nutrient mitigation and can therefore be marketed as BNG for purchase by developers. It would be necessary to anticipate the potential for stacking and build-in the ability to provide measurable biodiversity uplift to nutrient mitigation land.

Nutrient and SWBGS mitigation

- 8.10. Mitigation for impacts to SWBGS supporting habitat can also be stacked with nutrient mitigation. As with the previous example, it would be possible to convert arable land to grassland for nutrient mitigation and to undertake enhancements to the same habitat for migratory wintering birds.
- 8.11. Additionality for birds can be provided through secure fencing to reduce disturbance and/or the creation of shallow freshwater scrapes.

BNG and SWBGS mitigation

- 8.12. Similarly, it would be possible to integrate BNG with bird mitigation measures. As with nutrient mitigation, it would be possible for the same area of land to supply both benefits.
- 8.13. An area of land set aside for bird mitigation could be subject to enhancements to its grassland condition, or contain new pond or scrape habitats, could incorporate cultivated areas for arable flora, or could be surrounded by new hedging.

HCRP compensatory habitat and nutrient mitigation

- 8.14. Natural England has confirmed that it is possible to stack habitat compensation payments on top of payments for nutrient credits for the purposes of nutrient mitigation, as long as additionality rules are met. This means that as long as the activity which creates the nutrient load ceases, and isn't simply displaced elsewhere, then further payments can be made on top of the same land parcel to create a higher value habitat. For example, ceasing agriculture / nitrogen inputs creates a nutrient credit which has a value and could be sold. An extra payment could then be made to turn that land into intertidal or freshwater habitats – that payment could come from the Environment Agency who need to secure compensatory habitat for maintaining sea defences across the wider Solent area.
- 8.15. Conversely, it is not possible to stack habitat compensation and BNG credits, as this would not meet additionality rules as both are creating habitat.

9. Nature recovery financing

- 9.1. Financing for environmental measures – green financing – is an emerging market and there are a number of opportunities for philanthropic, private or state sector financing of environmentally-focussed projects available.

Nature Recovery Fund

- 9.2. In September 2025 the government published guidance on a major new initiative to fund nature recovery while supporting and facilitating new development. This initiative is called the **Nature Restoration Fund (NRF)** and is a significant thread of the recent Planning and Infrastructure Act.
- 9.3. The Act tasks Natural England with developing strategic Environmental Delivery Plans (EDPs). These will identify and deliver strategic conservation measures that address specific environmental impacts of development on protected sites or species. The purpose of EDPs is to streamline existing environmental obligations.
- 9.4. EDPs mean that developers will not need to undertake their own assessments or deliver their own mitigation. Each EDP will identify specific impacts that will be subject to these new strategic mitigation measures. Examples may include nutrient neutrality or species and habitat enhancement or restoration.
- 9.5. EDPs will be implemented using funding from a developer levy. A developer can request to pay the levy and a payment into the Nature Restoration Fund (NRF) will enable the developer to meet the relevant legal obligation associated with the impacts addressed by the EDP. It is possible that private landowner mitigation schemes could be integral to delivering the strategic measures identified within EDPs.

Conservation Covenants

- 9.6. Conservation covenants are private, voluntary agreements between a designated responsible body and a landowner (or leaseholder) to deliver lasting conservation benefits. Each conservation covenant will describe what the responsible body and landowner will do to help conserve the land for public good. They are bespoke agreements so they can be tailored to suit different circumstances.
- 9.7. The government maintains a register of responsible bodies who are able to enter into conservation covenants with landowners. In practice, a landowner could enter into a conservation covenant with a responsible body such as a local Wildlife Trust. Agreed management operations are carried out by the landowner – either financed by the landowner, through other private finance, or through funding from mitigation schemes – and monitored by the responsible body.

Financing Nature Recovery UK Initiative

- 9.8. The **Financing Nature Recovery UK Initiative** ran from 2020 to 2022 and investigated the potential for unlocking private finance to deliver nature recovery. The initiative produced a detailed report and recommendations. Figure 7 shows the vision outlined by the initiative.



Figure 7: Vision for the Financing Nature Recovery UK Initiative

- 9.9. The Planning Advisory Service has produced detailed guidance on financing nature recovery and wider environmental initiatives. Whilst the guidance is focussed on local planning authorities, it contains much useful information about nature financing more generally.

Government call for evidence

- 9.10. In June 2025 the government published a call for evidence looking at '[Expanding the role of the private sector in nature recovery](#)'. Whilst the results of the call for evidence are not yet published, this signals that the government is serious about harnessing private finance for the large-scale delivery of nature recovery and environmental initiatives.

10. Conclusion

10.1. In summary, the paper highlights the following potential benefits arising from environmentally focused land use within Havant Borough:

- The wider trend in nature conservation has shifted towards deliverable, large-scale nature recovery through habitat creation and enhancement.
- Biodiversity Net Gain (BNG) provides excellent opportunities for income generation from nature-based land management.
- Possible changes to BNG legislation to promote larger, off-site habitat creation and enhancement.
- Developing BNG market, with good financial returns for certain in-demand habitats.
- Proliferation of habitat bank businesses offering lease options and ongoing professional support for landowners.
- Strategic mitigation schemes such as the Solent Waders and Brent Goose Strategy and Nutrient Mitigation requiring land to offset impacts from development.
- The strategic Habitat Compensation and Restoration Programme requiring land to offset impacts from the Shoreline Management Plans and coastal risk management schemes.
- Need for multi-functional green and blue infrastructure schemes, offering combined environmental and social value benefits.
- High potential for stacking of environmental measures, attracting layered financial benefits on the same piece of land.
- Developing green finance market.