



Department
for Environment
Food & Rural Affairs

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31 July 2023

To all Local authorities listed in Annex A,

Dear colleagues,

Section 31 (Local Government Act 2003) Grant Determination Letter for Biodiversity Net Gain Grant 2023/24: Grant No. 31/6804

This Determination is made between:

- (1) **The Secretary of State for Environment, Food and Rural Affairs and**
- (2) **The local authorities listed at Annex A.**

Background

Biodiversity net gain (BNG) is an approach to development that leaves biodiversity in a measurably better state than before. This means protecting existing habitats and ensuring that lost or degraded habitats are compensated for by enhancing or creating habitats that are of greater value to wildlife and people.

The Environment Act 2021 includes provisions that make the achievement of 10% biodiversity gain mandatory for most developments under the Town and Country Planning Act 1990. The requirement is due to come into force in November 2023 for most developments (unless exempt) and for small sites from April 2024.

Purpose of the Grant

The purpose of this grant is to provide funding to the local authorities in England listed at Annex A, towards expenditure lawfully incurred or to be incurred by them in delivering biodiversity net gain. Any further funding for this purpose, beyond this period, would be confirmed in due course.

Grant amounts

The grant covers the 12-month period from 1 April 2023 to 31 March 2024.

- The funding allocated for the 2023/24 grant is a maximum of £11.06 million; this includes additional funding to allow authorities that were unable to claim their 2022/23 grant to spend an equivalent amount in 2023/24. There is also up to £4.26

million further funding available to allow LPAs who are holding funds in a ring-fenced reserve from 2022/23 to spend up to this allocation in 2023/24.

The grant amount for each local authority includes funding for one off set up and preparation costs for BNG assessment between 1 April 2023 and 31 October 2023 and early operation of BNG from November 2023 – 31 March 2024.

Local authorities have been placed in one of two bands, with the amount per authority listed at Annex A.

Band	2023/24
Band 1 (authorities with 500 or fewer applications of types that fall within the scope of BNG)	£26,807
Band 2 (authorities with 501 or more applications of types that fall within the scope of BNG)	£43,467

This grant is subject to conditions, which can be found at Annex B. This requires that LPAs spend any funding held in the ring-fenced reserve first before further funding is accessed.

Payment of the grant will be made in arrears. Details of how to claim the grant will be provided on receipt of the grant acceptance.

Templates for grant acceptance and provision of evidence of spend are included at Annex C.

Enquiries

For all enquiries about BNG please contact
SM-Defra.NetGain@defra.gov.uk

Signed by authority of the Secretary of State for Environment, Food and Rural Affairs.



Rachel Fisher
Deputy Director, Land Use

Department for Environment, Food and Rural Affairs

REVENUE grant determination (ring-fenced)

Biodiversity Net Gain Grant GRANT DETERMINATION 2023/2024: No. 31/6804

The Secretary of State for Environment, Food and Rural Affairs (Rt Hon Thérèse Coffey MP) (“the Secretary of State”), in exercise of the powers conferred by section 31 of the Local Government Act 2003, makes the following determination:

Citation

1) This determination may be cited as the Biodiversity Net Gain Grant Determination 2023/2024 [No.31/6804].

Purpose of the grant

2) The purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred by them to apply a minimum 10% increase in biodiversity to planning permissions (unless otherwise exempt) granted under the Town and Country Planning Act 1990.

Determination

3) The Secretary of State determines as the authorities to which the grant is to be paid and the amount of grant to be paid, the authorities and the amounts set out in Annex A.

Grant conditions

4) Pursuant to section 31(3) and 31(4) of the Local Government Act 2003, the Secretary of State determines that the grant will be paid subject to the conditions in Annex B.

Treasury consent

5) Before making this determination in relation to local authorities in England, the Secretary of State obtained the consent of the Treasury.

UK Government Branding

6) The Grant Recipient shall at all times during and following the end of the Funding Period:

6.1 comply with requirements of the Branding Manual in relation to the Funded Activities; and

6.2 cease use of the Funded by UK Government logo on demand if directed to do so by the Authority.

7) **Branding Manual** means the HM Government of the United Kingdom of Great Britain and Northern Ireland ‘Funded by UK Government branding manual’ first published by the Cabinet Office in November 2022 and is available at:

<https://gcs.civilservice.gov.uk/guidance/marketing/branding-guidelines/>

including any subsequent updates from time to time.

Signed by authority of the Secretary of State for Environment, Food and Rural Affairs

Rachel Fisher, Deputy Director, Land Use, Department for Environment, Food and Rural Affairs

A handwritten signature in black ink, appearing to read 'Rachel Fisher', with a long horizontal flourish extending to the right.

31 July 2023

Annex A – List of authorities

Column A	Column B	Column C	Column D
Local Authority	Notes on council changes from 01 April 2023	2023/24 BNG grant allocation for period 01/04/2023 to 31/03/2024	Funds already distributed in 2022/23 and held in a ring-fenced reserve ¹
Adur District Council		£26,807	£26,807
Allerdale Borough Council ³	Due to council changes from 1 April 23; this allocation ceases from 31 March 23 and becomes part of Cumberland Council		£21,085
Amber Valley Borough Council		£26,807	£26,807
Arun District Council		£26,807	£11,195
Ashfield District Council		£26,807	£19,264
Ashford Borough Council		£26,807	£18,768
Babergh District Council		£26,807	£0
Barking and Dagenham London Borough		£26,807	£17,007
Barnet London Borough		£43,467	£0
Barnsley Metropolitan Borough Council		£26,807	£8,071
Barrow-in-Furness District Council ³	Due to council changes from 1 April 23; this allocation ceases from 31 March 23 and becomes part of Westmorland and Furness Council		£26,807
Basildon District Council		£53,614	£0
Basingstoke and Deane Borough Council		£26,807	£557
Bassetlaw District Council		£26,807	£26,807
Bath and North East Somerset Council		£26,807	£9,446
Bedford UA		£26,807	£5,863
Bexley London Borough		£26,807	£17,677
Birmingham City Council		£43,467	£9,772
Blaby District Council		£26,807	£26,807
Blackburn with Darwen Borough Council		£26,807	£0
Blackpool Borough Council		£26,807	£21,624
Bolsover District Council		£26,807	£0
Bolton Metropolitan Borough Council		£26,807	£18,307
Boston Borough Council		£26,807	£0
Bournemouth, Christchurch and Poole Council		£43,467	£23,811
Bracknell Forest Borough Council		£26,807	£18,081

Braintree District Council		£53,614	£0
Breckland District Council		£43,467	£0
Brent London Borough		£43,467	£15,467
Brentwood Borough Council		£53,614	£0
Brighton and Hove Council		£43,467	£11,304
Bristol Council		£43,467	£29,159
Broadland District Council		£26,807	£0
Bromley London Borough		£43,467	£13,216
Bromsgrove District Council		£53,614	£0
Broxbourne Borough Council		£26,807	£26,807
Broxtowe Borough Council		£53,614	£0
Buckinghamshire Council		£43,467	£0
Burnley Borough Council		£26,807	£23,355
Bury Metropolitan Borough Council		£26,807	£0
Calderdale Metropolitan Borough Council		£26,807	£0
Cambridge City Council		£26,807	£16,807
Cambridgeshire and Peterborough Combined Authority		£26,807	£16,807
Cambridgeshire County Council		£26,807	£25,374
Camden London Borough		£43,467	£34,722
Cannock Chase District Council		£26,807	£11,447
Canterbury City Council		£26,807	£15,041
Carlisle City Council ³	Due to council changes from 1 April 23; this allocation ceases from 31 March 23 and becomes part of Cumberland Council		£26,807
Castle Point Borough Council		£53,614	£0
Central Bedfordshire UA		£43,467	£0
Charnwood Borough Council		£26,807	£23,517
Chelmsford Borough Council		£26,807	£26,807
Cheltenham Borough Council		£26,807	£26,807
Cherwell District Council		£26,807	£25,876
Cheshire East UA		£43,467	£0
Cheshire West and Chester UA		£43,467	£0
Chesterfield Borough Council		£26,807	£13,872
Chichester District Council		£26,807	£20,200
Chorley Borough Council		£26,807	£13,342
City of Bradford Metropolitan District Council		£43,467	£25,036
City of London		£26,807	£6,807
City of York Council		£26,807	£6,124
Colchester Borough Council		£26,807	£25,607

Copeland Borough Council ³	Due to council changes from 1 April 23; this allocation ceases from 31 March 23 and becomes part of Cumberland Council		£21,085
Cornwall County UA		£43,467	£29,467
Cotswold District Council		£26,807	£22,607
Coventry City Council		£26,807	£0
Craven District Council ³	Due to council changes from 1 April 23; this allocation ceases from 31 March 23 and becomes part of North Yorkshire Council		£26,807
Crawley Borough Council		£26,807	£21,587
Croydon London Borough		£86,934	£0
Cumberland Council ²		£93,825	£0
Cumbria County Council ³	Due to council changes from 1 April 23; this allocation ceases from 31 March 23 and is reallocated across the new administrations		£26,807
Dacorum Borough Council		£26,807	£0
Darlington Borough Council		£26,807	£16,166
Dartford Borough Council		£26,807	£18,768
Derby City Council		£26,807	£0
Derbyshire County Council		£26,807	£0
Derbyshire Dales District Council		£26,807	£11,984
Devon County Council		£26,807	£18,903
Doncaster Metropolitan Borough Council		£26,807	£0
Dorset Council		£43,467	£7,000
Dover District Council		£26,807	£8,451
Dudley Metropolitan Borough Council		£26,807	£23,065
Durham County UA		£43,467	£40,548
Ealing London Borough		£43,467	£18,467
East Cambridgeshire District Council		£26,807	£0
East Devon District Council		£43,467	£0
East Hampshire District Council		£26,807	£14,010
East Hertfordshire District Council		£26,807	£26,807
East Lindsey District Council		£43,467	£0
East Riding of Yorkshire Council		£43,467	£39,133
East Staffordshire Borough Council		£26,807	£9,619
East Suffolk District Council		£43,467	£28,349
East Sussex County Council		£26,807	£9,131

Eastbourne Borough Council		£53,614	£0
Eastleigh Borough Council		£26,807	£1,385
Eden District Council ³	Due to council changes from 1 April 23; this allocation ceases from 31 March 23 and becomes part of Westmorland and Furness Council		£1,807
Elmbridge Borough Council		£26,807	£15,577
Enfield London Borough		£86,934	£0
Epping Forest District Council		£26,807	£26,807
Epsom and Ewell Borough Council		£26,807	£8,429
Erewash Borough Council		£26,807	£26,807
Essex County Council		£26,807	£0
Exeter City Council		£26,807	£18,148
Fareham Borough Council		£26,807	£0
Fenland District Council		£26,807	£5,455
Folkestone and Hythe District Council		£26,807	£18,768
Forest of Dean District Council		£26,807	£22,514
Fylde Borough Council		£53,614	£0
Gateshead Metropolitan Borough Council		£26,807	£26,807
Gedling Borough Council		£26,807	£18,613
Gloucester City Council		£53,614	£0
Gloucestershire County Council		£26,807	£15,157
Gosport Borough Council		£26,807	£26,807
Gravesham Borough Council		£26,807	£14,908
Great Yarmouth Borough Council		£26,807	£0
Greater London Authority		£26,807	£0
Greater Manchester Combined Authority		£26,807	£1,804
Greenwich London Borough		£26,807	£26,807
Guildford Borough Council		£26,807	£0
Hackney London Borough		£43,467	£32,721
Halton Borough Council		£26,807	£0
Hambleton District Council ³	Due to council changes from 1 April 23; this allocation ceases from 31 March 23 and becomes part of North Yorkshire Council		£26,807
Hammersmith and Fulham London Borough		£26,807	£1,865
Hampshire County Council		£26,807	£14,665
Harborough District Council		£26,807	£25,039
Haringey London Borough		£26,807	£0
Harlow District Council		£26,807	£23,307

Harrogate Borough Council ³	Due to council changes from 1 April 23; this allocation ceases from 31 March 23 and becomes part of North Yorkshire Council		£43,467
Harrow London Borough		£26,807	£11,613
Hart District Council		£26,807	£0
Hartlepool Council		£53,614	£0
Hastings Borough Council		£26,807	£0
Havant Borough Council		£26,807	£0
Havering London Borough		£53,614	£0
Herefordshire Council		£43,467	£14,279
Hertfordshire County Council		£26,807	£26,807
Hertsmere Borough Council		£26,807	£12,573
High Peak Borough Council		£26,807	£16,407
Hillingdon London Borough		£86,934	£0
Hinckley and Bosworth Borough Council		£26,807	£18,468
Horsham District Council		£26,807	£0
Hounslow London Borough		£43,467	£20,573
Hull City Council		£26,807	£17,088
Huntingdonshire		£26,807	£19,107
Hyndburn Borough Council		£26,807	£26,807
Ipswich Borough Council		£26,807	£22,195
Isle of Wight Council		£26,807	£26,807
Isles of Scilly Council		£26,807	£26,807
Islington London Borough		£43,467	£43,467
Kensington and Chelsea Royal Borough		£43,467	£40,487
Kent County Council		£26,807	£19,307
Kings Lynn and West Norfolk Borough Council		£43,467	£0
Kingston upon Thames Royal Borough		£26,807	£6,807
Kirklees Metropolitan Borough Council		£43,467	£32,137
Knowsley Metropolitan Borough Council		£26,807	£0
Lambeth London Borough		£43,467	£1,291
Lancashire County Council		£26,807	£2,149
Lancaster City Council		£26,807	£0
Leeds City Council		£43,467	£0
Leicester City Council		£26,807	£0
Leicestershire County Council		£26,807	£18,140
Lewes District Council		£53,614	£0
Lewisham London Borough		£43,467	£20,013
Lichfield District Council		£26,807	£436
Lincoln City Council		£26,807	£428

Lincolnshire County Council		£53,614	£0
Liverpool City Council		£26,807	£0
Liverpool City Region Combined Authority		£26,807	£24,107
London Borough of Richmond upon Thames		£43,467	£36,367
Luton Borough Council		£26,807	£26,807
Maidstone Borough Council		£26,807	£18,768
Maldon District Council		£26,807	£11,807
Malvern Hills District Council		£26,807	£0
Manchester City Council		£43,467	£31,467
Mansfield District Council		£26,807	£0
Medway Borough Council		£26,807	£15,392
Melton Borough Council		£26,807	£25,276
Mendip District Council ³	Due to council changes from 1 April 23; this allocation ceases from 31 March 23 and becomes part of Somerset Council		£23,207
Merton London Borough		£26,807	£0
Mid Devon District Council		£26,807	£26,807
Mid Suffolk District Council		£43,467	£0
Mid Sussex District Council		£26,807	£9,355
Middlesbrough Borough		£26,807	£22,567
Milton Keynes Council		£26,807	£0
Mole Valley District Council		£53,614	£0
New Forest District Council		£26,807	£0
Newark and Sherwood District Council		£26,807	£19,522
Newcastle City Council		£26,807	£6,092
Newcastle-under-Lyme Borough Council		£26,807	£18,507
Newham London Borough		£26,807	£0
Norfolk County Council		£26,807	£0
North Devon District Council		£26,807	£0
North East Combined Authority		£53,614	£0
North East Derbyshire District Council		£53,614	£0
North East Lincolnshire Council		£26,807	£0
North Hertfordshire District Council		£26,807	£21,879
North Kesteven District Council		£26,807	£0
North Lincolnshire Council		£26,807	£24,320
North Norfolk District Council		£26,807	£24,977
North Northamptonshire		£43,467	£4,467
North of Tyne Combined Authority		£26,807	£26,807
North Somerset Council		£26,807	£21,807
North Tyneside Metropolitan		£26,807	£2,454

Borough Council			
North Warwickshire Borough Council		£26,807	£15,700
North West Leicestershire District Council		£26,807	£22,108
North Yorkshire Council ²		£231,116	£0
North Yorkshire County Council ³	Due to council changes from 1 April 23; this allocation ceases from 31 March 23 and becomes part of North Yorkshire Council		£26,807
Northumberland County UA		£43,467	£0
Norwich City Council		£26,807	£0
Nottingham City Council		£26,807	£6,499
Nottinghamshire County Council		£26,807	£26,807
Nuneaton and Bedworth Borough Council		£26,807	£10,650
Oadby and Wigston Borough Council		£26,807	£22,453
Oldham Metropolitan Borough Council		£26,807	£0
Oxford City Council		£26,807	£3,667
Oxfordshire		£26,807	£5,991
Pendle Borough Council		£53,614	£0
Peterborough City Council		£26,807	£0
Plymouth City Council		£53,614	£0
Portsmouth City Council		£53,614	£0
Preston city Council		£26,807	£14,888
Reading Borough Council		£26,807	£26,807
Redbridge London Borough		£26,807	£15,807
Redcar and Cleveland Borough Council		£26,807	£16,657
Redditch Borough Council		£53,614	£0
Reigate and Banstead Borough Council		£26,807	£0
Ribble Valley Borough Council		£26,807	£8,449
Richmondshire District Council ³	Due to council changes from 1 April 23; this allocation ceases from 31 March 23 and becomes part of North Yorkshire Council		£26,807
Rochdale Metropolitan Borough Council		£26,807	£0
Rochford District Council		£26,807	£26,807
Rossendale Borough Council		£26,807	£23,685
Rother District Council		£26,807	£3,622
Rotherham Metropolitan Borough Council		£26,807	£7
Rugby Borough Council		£26,807	£0
Runnymede Borough Council		£26,807	£11,816

Rushcliffe Borough Council		£26,807	£2,713
Rushmoor Borough Council		£26,807	£0
Rutland County Council District Council		£26,807	£0
Ryedale District Council ³	Due to council changes from 1 April 23; this allocation ceases from 31 March 23 and becomes part of North Yorkshire Council		£26,807
Salford Metropolitan District Council		£26,807	£0
Sandwell Metropolitan Borough Council		£26,807	£3,019
Scarborough Borough Council ³	Due to council changes from 1 April 23; this allocation ceases from 31 March 23 and becomes part of North Yorkshire Council		£26,807
Sedgemoor District Council ³	Due to council changes from 1 April 23; this allocation ceases from 31 March 23 and becomes part of Somerset Council		£25,273
Sefton		£26,807	£7,347
Selby District Council ³	Due to council changes from 1 April 23; this allocation ceases from 31 March 23 and becomes part of North Yorkshire Council		£26,807
Sevenoaks District Council		£26,807	£18,768
Sheffield City Council		£43,467	£41,527
Shropshire County UA		£43,467	£0
Slough Borough Council		£26,807	£23,682
Solihull Metropolitan Borough Council		£26,807	£0
Somerset Council ²		£150,695	£0
Somerset County Council ³	Due to council changes from 1 April 23; this allocation ceases from 31 March 23 and becomes part of Somerset Council		£24,892
Somerset West and Taunton District Council ³	Due to council changes from 1 April 23; this allocation ceases from 31 March 23 and becomes part of Somerset Council		£24,202
South Cambridgeshire District Council		£43,467	£18,467
South Derbyshire District Council		£26,807	£0
South Gloucestershire Council		£43,467	£0
South Hams District Council		£43,467	£43,467
South Holland District Council		£26,807	£0
South Kesteven District		£53,614	£0

Council			
South Lakeland District Council ³	Due to council changes from 1 April 23; this allocation ceases from 31 March 23 and becomes part of Westmorland and Furness Council		£16,807
South Norfolk Council		£43,467	£0
South Oxfordshire District Council		£43,467	£15,849
South Ribble Borough Council		£26,807	£0
South Somerset District Council ³	Due to council changes from 1 April 23; this allocation ceases from 31 March 23 and becomes part of Somerset Council		£42,297
South Staffordshire District Council		£26,807	£14,707
South Tyneside Metropolitan Borough Council		£26,807	£26,807
South Yorkshire Mayoral Combined Authority		£53,614	£0
Southampton City Council		£26,807	£5,426
Southend on Sea City Council		£26,807	£21,942
Southwark London Borough		£43,467	£0
Spelthorne Borough Council		£26,807	£572
St Albans District Council		£26,807	£26,807
St Helens Metropolitan Borough Council		£26,807	£10,627
Stafford Borough Council		£26,807	£13,242
Staffordshire County Council		£26,807	£22,962
Staffordshire Moorlands District Council		£26,807	£4,263
Stevenage Borough Council		£26,807	£26,807
Stockport Metropolitan Borough Council		£26,807	£0
Stockton-on-Tees Borough Council		£26,807	£18,407
Stoke-on-Trent City Council		£26,807	£0
Stratford-on-Avon District Council		£43,467	£25,467
Stroud District Council		£26,807	£1,727
Suffolk County Council		£26,807	£0
Sunderland City Council		£26,807	£16,343
Surrey County Council		£26,807	£6,807
Surrey Heath Borough Council		£53,614	£0
Sutton London Borough		£26,807	£0
Swale Borough Council		£26,807	£18,768
Swindon Borough Council		£26,807	£0
Tameside Metropolitan Borough Council		£26,807	£0
Tamworth Borough Council		£26,807	£26,807
Tandridge District Council		£26,807	£26,807

Tees Valley Combined Authority		£53,614	£0
Teignbridge District Council		£26,807	£0
Telford and Wrekin Council		£26,807	£26,807
Tendring District Council		£26,807	£307
Test Valley Borough Council		£26,807	£21,589
Tewkesbury Borough Council		£26,807	£26,807
Thanet District Council		£26,807	£14,007
The West Yorkshire Combined Authority		£26,807	£0
Three Rivers District Council		£26,807	£26,807
Thurrock Council		£53,614	£0
Tonbridge and Malling Borough Council		£26,807	£15,132
Torbay Borough Council		£26,807	£12,413
Torridge District Council		£26,807	£26,807
Tower Hamlets London Borough		£43,467	£38,907
Trafford Metropolitan Borough Council		£26,807	£42
Tunbridge Wells Borough Council		£26,807	£0
Uttlesford District Council		£43,467	£12,911
Vale of White Horse		£26,807	£8,395
Wakefield Metropolitan District Council		£26,807	£709
Walsall Metropolitan Borough Council		£26,807	£7,198
Waltham Forest London Borough		£43,467	£13,314
Wandsworth London Borough		£86,934	£0
Warrington Borough Council		£26,807	£26,807
Warwick District Council		£26,807	£8,256
Warwickshire County Council		£26,807	£0
Watford Borough Council		£26,807	£26,807
Waverley Borough Council		£26,807	£26,807
Wealden District Council		£26,807	£22,177
Welwyn Hatfield District Council		£26,807	£25,080
West Berkshire District Council		£26,807	£0
West Devon Borough Council		£26,807	£26,807
West Lancashire District Council		£26,807	£18,612
West Lindsey District Council		£26,807	£4,429
West Midlands Combined Authority		£26,807	£0
West Northamptonshire		£43,467	£32,577
West of England Combined Authority		£26,807	£1,040
West Oxfordshire District Council		£26,807	£21,935
West Suffolk District Council		£26,807	£26,807

West Sussex County Council		£26,807	£26,807
Westminster City Council		£43,467	£0
Westmorland and Furness Council ²		£93,825	£0
Wigan Metropolitan Borough Council		£26,807	£0
Wiltshire County UA		£43,467	£0
Winchester City Council		£53,614	£0
Windsor and Maidenhead Royal Borough Council		£26,807	£0
Wirral Metropolitan Borough Council		£26,807	£5,091
Woking Borough Council		£26,807	£22,817
Wokingham District Council		£26,807	£0
Wolverhampton Metropolitan Borough Council		£26,807	£5,815
Worcester City Council		£26,807	£20,807
Worcestershire County Council		£26,807	£0
Worthing Borough Council		£26,807	£26,807
Wychavon District Council		£26,807	£5,876
Wyre Borough Council		£26,807	£0
Wyre Forest		£26,807	£0

Table notes

¹Funds in column D were distributed to local authorities in 22/23 financial year and are held by the local authority in a ring-fenced reserve to be used by the authority within the period 01/04/2023 to 31/03/2024.

²Grant amounts for 2023/24 for the four new local authorities that were created on 01/04/2023 include the grant amounts that the authorities they replaced would have been allocated.

³Funds held in ring-fenced reserves by local authorities that were replaced by the four new local authorities on 01/04/2023 are provided for information. These funds will be managed by the relevant new local authority.

Annex B

GRANT CONDITIONS

1. The funding must only be used by the local authority ("the authority") between 1 April 2023 and 31 March 2024 to deliver measures that apply at least a 10% biodiversity net gain, as introduced in the Environment Act 2021 to planning permissions (unless otherwise exempt) granted under the Town and Country Planning Act 1990.

2. Any funds allocated to the authority held in a ring-fenced reserve and held by the authority under the allocation of the Biodiversity Net Gain Grant Determination 2022/2023 No.31/6499 can be used by the authority within the period 1 April 2023 and 31 March 2024.
3. When incurring eligible expenditure, the authority must first apportion expenditure to the ring-fenced reserve held under the conditions of Biodiversity Net Gain Grant Determination 2022/2023 No.31/6499 in so far as the authority holds it. The ring-fenced reserve must be spent in full before funds in column C of Annex A can be accessed.
4. An authority must confirm agreement to the grant conditions, by completing the grant acceptance form at Annex C, and sending to SM-Defra.NetGain@defra.gov.uk by 31 August 2023.
5. An authority must provide updates of evidence of spend incurred against the condition in paragraph 1 and any use of the ring-fenced reserve in paragraph 2, by completing the evidence form provided at Annex C and sending to SM-Defra.NetGain@defra.gov.uk by:
 - 15 September 2023 for the period 1 April 2023 to 31 August 2023;
 - 15 March 2024 for the period 1 September 2023 to 31 March 2024.

Eligible expenditure

6. Eligible expenditure means payments made by the authority or any person acting on behalf of the authority, between 1 April 2023 and 31 March 2024, for the purposes as set out in paragraph 1.
7. If the authority incurs any of the following costs, they must be excluded from eligible expenditure:
 - a) contributions in kind
 - b) payments for activities of a political or exclusively religious nature
 - c) depreciation, amortisation or impairment of fixed assets owned by the authority
 - d) input VAT reclaimable by the authority from HM Revenue & Customs
 - e) interest payments or service charge payments for finance leases
 - f) gifts, other than promotional items with a value of no more than £10 in a year to any one person
 - g) entertaining (Entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations)
 - h) statutory fines, criminal fines or penalties
8. The authority must not deliberately incur liabilities for eligible expenditure before there is an operational need for it to do so.
9. If an authority is unsure if expenditure planned is considered eligible expenditure they should contact the Department for Environment, Food and Rural Affairs (“the

Department”) at SM-Defra.NetGain@defra.gov.uk before spending those funds so the Department can confirm if it would be considered eligible expenditure.

10. For the purpose of defining the time of payments, a payment is made by the authority when money passes out of its control (or out of the control of any person acting on behalf of the authority). Money will be assumed to have passed out of such control at the moment when legal tender is passed to a supplier (or, if wages, to an employee), when a letter is posted to a supplier or employee containing a cheque, or an electronic instruction is sent to a bank to make a payment to a supplier or employee by direct credit or bank transfer.

Payment arrangements

11. Grant will be paid in arrears on receipt of an invoice.
12. If at any time the authority becomes aware that payment in arrears is not suitable due to financial arrangements within the authority, the authority must inform the Department as soon as possible. The Secretary of State reserves the right to alter the timing of grant payments accordingly.

Financial Management

13. The authority must maintain a sound system of internal financial controls.
14. If the authority has any grounds for suspecting financial irregularity in the use of any grant paid under this funding agreement, it must notify the Department immediately, explain what steps are being taken to investigate the suspicion and keep the Department informed about the progress of the investigation. For these purposes “financial irregularity” includes fraud or other impropriety, mismanagement, and the use of grant for purposes other than those for which it was provided.

Records to be kept

15. The authority must maintain reliable, accessible and up to date accounting records with an adequate audit trail for all expenditure funded by grant monies under this Determination.
16. The authority and any person acting on behalf of the authority must allow:
 - a) the Comptroller and Auditor General or appointed representatives; and
 - b) the Secretary of State or appointed representatives;

free access at all reasonable times to all documents (including computerised documents and data) and other information as are connected to the grant payable under this Determination, or to the purposes for which grant was used, subject to the provisions in paragraph 18.
17. The documents, data and information referred to in paragraph 16 are such which the Secretary of State or the Comptroller and Auditor General may reasonably require for the purposes of his financial audit or any department or other public body or for carrying

out examinations into the economy, efficiency and effectiveness with which any department or other public body has used its resources. The authority must provide such further explanations as are reasonably required for these purposes.

18. Paragraphs 16 and 17 do not constitute a requirement for the examination, certification or inspection of the accounts of the authority by the Comptroller and Auditor General under section 6(3) of the National Audit Act 1983. The Comptroller and Auditor General will seek access in a measured manner to minimise any burden on the authority and will avoid duplication of effort by seeking and sharing information with the Audit Commission.

Breach of Conditions and Recovery of Grant

19. If the authority fails to comply with any of these conditions, or if any overpayment is made under this grant or any amount is paid in error, or if any of the events set out in paragraph 20 occurs, the Secretary of State may reduce, suspend or withhold grant payments or require the repayment of the whole or any part of the grant monies paid, as may be determined by the Secretary of State and notified in writing to the authority. Such sum as has been notified will immediately become repayable to the Secretary of State who may set off the sum against any future amount due to the authority from central government.

20. The events referred to in paragraph 20 are:

- a. the authority purports to transfer or assign any rights, interests or obligations arising under this Determination without the prior agreement of the Secretary of State;
- b. any information provided in any application for grant monies payable under this Determination, or in any subsequent supporting correspondence is found to be significantly incorrect or incomplete in the opinion of the Secretary of State;
- c. it appears to the Secretary of State that other circumstances have arisen or events have occurred that are likely to significantly affect the authority's ability to achieve the activities set out in the Determination;