How ONReF Could Work: Five Examples

Illustrative use cases for farmers and landowners in Oxfordshire

Every project is different, and the examples below are illustrative rather than prescriptive – they show the kinds of things an ONReF loan could help make happen, and how the loan could be repaid. If any of them spark an idea for your own land, that is exactly the point. You don't need a fully worked-up plan to get started: a short Expression of Interest is enough for us to talk it through with you.

As a reminder, ONReF looks for projects that (1) deliver a real, measurable benefit for nature in line with Oxfordshire's Local Nature Recovery Strategy; (2) can eventually earn income to repay the loan; and (3) would struggle to find suitable funding elsewhere.

1. A small biodiversity habitat bank on less productive land

A farmer has around 10 hectares of poorly performing, less productive land that costs more to farm than it returns. Rather than continue, they decide to create a small habitat bank – establishing sought-after habitat types such as a restored watercourse and lowland deciduous woodland that can be sold as Biodiversity Net Gain (BNG) units to developers who need to offset the impact of building elsewhere in the county.

ONReF lends the money for the upfront work that has to happen before any units can be sold: a professional habitat survey and baseline assessment, and the preparation of a Habitat Management and Monitoring Plan (HMMP). Once the habitat is registered and the units are sold, the farmer repays the loan from the sale proceeds. Because BNG carries a legal requirement for developers to buy units, the demand is real but a high street bank won't always lend against income from units that haven't been sold yet, which is the gap ONReF fills.

In short: ONReF funds: Habitat survey, baseline assessment and HMMP **Repaid through:** Sale of BNG units to developers **Rough timescale:** Units saleable once habitat is registered; repaid as sales complete

2. Bridging the wait for a natural flood management grant

A farmer wants to deliver a natural flood management scheme – slowing the flow of water across their land with features such as leaky dams, ponds and re-profiled channels – to reduce flood risk downstream and create wetland habitat. A capital grant (PA2) will cover much of the cost of the feasibility study, but it pays in arrears: the farmer has to carry out and pay for the work first, then claim the money back.

For many farms, finding that money up front is the barrier, particularly after a difficult year. ONReF provides a short bridging loan to cover the cost, which is then repaid as soon as the grant is paid out. It is a simple, low-risk use of the fund: the repayment source is a confirmed grant rather than an uncertain market, and it turns a cashflow problem into a project that actually goes ahead.

In short: ONReF funds: Upfront cost of the flood management works **Repaid through:** The PA2 capital grant, once paid in arrears **Rough timescale:** Short - bridged until the grant claim is settled

3. Planting woodland, bridging EWCO and selling carbon

A landowner plans to create new native woodland, funded largely through the England Woodland Creation Offer (EWCO). As with many grants, EWCO pays in stages and partly in arrears, so the farmer needs money up front to buy trees, guards and fencing and to get the planting done. Alongside the grant, they register the new woodland under the Woodland Carbon Code, so that the carbon it captures as it grows can be sold as carbon units.

ONReF bridges the upfront planting costs. The loan is then repaid from a combination of the EWCO payments as they arrive and, over time, the sale of Woodland Carbon Code units. This stacking of a grant and a carbon income stream is exactly the kind of blended project that is hard to finance conventionally - a bank sees an arrears grant and an unproven carbon income, whereas ONReF is set up to lend against precisely this pattern.

In short: **ONReF funds:** Trees, guards, fencing and planting costs **Repaid through:** EWCO grant payments plus Woodland Carbon Code unit sales **Rough timescale:** Grant bridged near-term; carbon income builds over years

4. Nature-based tourism: a wildflower meadow that pays its way

A farmer wants to restore a species-rich wildflower meadow (a priority habitat for Oxfordshire) and use the restored landscape as the setting for a small ecotourism enterprise, such as a handful of low-impact glamping pods. The nature is central: it is the quality of the meadow and the wildlife it supports that makes the place somewhere people want to visit and stay.

ONReF lends toward establishing the meadow and the enabling works - the nature restoration that is hard to fund because it doesn't, by itself, produce an income. The loan is then repaid from the tourism income the enhanced landscape makes possible. This is a good example of nature and enterprise working together: the biodiversity is real and measurable, and it is also the commercial asset that repays the loan.

In short: **ONReF funds:** Wildflower meadow restoration and enabling works **Repaid through:** Income from the nature-based tourism enterprise **Rough timescale:** Income builds once the meadow and offer are established

5. Building soil carbon across the farm

A farmer commits most of their farm to a change in management - cover crops, herbal leys, reduced tillage and lower inputs - designed to build soil organic carbon over time. As well as healthier, more resilient soils and benefits for farmland wildlife, the carbon captured can be sold as high-integrity carbon credits under a rigorous methodology such as Isometric's Improved Soil Management protocol, which relies on direct soil sampling and independent verification.

The barrier is timing and cost: the practice changes, baseline soil sampling and monitoring all cost money up front, while the credits are only issued and sold once the carbon gains have been measured and verified - often several years later. ONReF lends to cover those upfront costs, and is repaid as the verified credits are sold. Because soil carbon income is newer and less certain than

BNG or grant-backed routes, this kind of project needs a realistic view of the timescale and the price – something the ONReF team will always talk through with you honestly.

In short: **ONReF funds:** Practice changes, baseline soil sampling and monitoring **Repaid through:** Sale of verified soil carbon credits **Rough timescale:** Longer term - credits issued only after carbon is measured and verified

Have an idea of your own?

These are only five possibilities, ONReF can support many other kinds of nature recovery project, provided there is a credible way to repay the loan. If something here resonates, or you have a different idea entirely, the next step is simple: complete a short Expression of Interest form. It takes around 15 minutes, it isn't a commitment, and it lets us start a conversation about what might be possible on your land.

ONReF - a partnership between the Trust for Oxfordshire's Environment and the Oxfordshire Local Nature Partnership, supported by Oxfordshire County Council.