

Future Talent Group: Topical Viewpoint

Biodiversity Net Gain – How will the new changes affect small developers?

Overview

The [Government's biodiversity net gain \(BNG\) mandate](#) came into force for major sites on Monday 12 February 2024 and for small sites on Tuesday 2 April. These new environmental rules now in place for developers in England mean planning permission will be conditional on improving biodiversity on a site before building can commence. All developers will need an approved BNG plan from the relevant planning authority to start building.

This viewpoint will outline what biodiversity net gain is, how these changes will affect small developers and how to achieve BNG.

What is biodiversity net gain?

Biodiversity net gain (BNG) is a mandatory approach that means a development should aim to leave the natural environment in a better condition rather than a worse one. It is now a lawful part of the planning system and planning applications need to set out how a minimum of 10% BNG will be delivered and secured for at least 30 years.

The reason for this new policy introduction is to stop and reverse the decline of biodiversity across the UK. [The State of Nature Report](#) identified that 40% of Britain's native species are declining rapidly and biodiversity is also important for health and well-being as well as enhancing and protecting natural environments.

The challenge

With developers now responsible for adding BNG changes within their planning applications, this does impact an already complex planning system. Delays securing planning consent are already a significant barrier and local authorities will also need to ensure there is sufficient resource capacity within their own teams to process BNG effectively or further delays will happen.

The cost of delivering net gain also needs to be looked at more closely. Costs can differ widely and are dependent on whether net gain will be delivered on or offsite.

How do the changes affect smaller developers?

Small sites or small developers consist of those with a residential development where the number of dwellings is between 1 and 9 on a site of an area 1 hectare or less, or if the number of dwellings is unknown, less than 0.5 hectares.

If a development falls under these criteria, developers can use the statutory biodiversity [small sites metric tool \(SSM\)](#) to help calculate biodiversity value and what needs to be done to achieve BNG.

Developers in charge of small sites will need to appoint a qualified individual known as a SSM user to conduct a SSM assessment using the SSM tool. It is advisable that this person have appropriate knowledge and experience of BNG and in identifying habitats onsite before a development application takes place. Although BNG is a post-development condition, it is important that discussions happen early to ensure plans are realistic and encouraged.

How can BNG be achieved?

Developers can achieve BNG through three ways:

- **Onsite** – Developers can improve, restore and add biodiversity within their development sites.
- **Offsite** – Developers can provide BNG gains offsite, enhancing other land outside of the development or purchasing biodiversity units from third parties.
- **Statutory credits** – If developers cannot achieve onsite or offsite BNG, then they must buy statutory biodiversity credits sold by the government, which will be reinvested in habitat enhancements. The market for offsite BNG credits is still not fully known but is set at a high price to encourage onsite and offsite delivery.

It is an option to combine all three of these strategies, but developers must apply them in the specific biodiversity gain hierarchy. This step is important for small developers who may face constraints in available land when securing planning permission.

The BNG hierarchy seeks to minimise biodiversity loss and BNG options must be set out in a preferred order of steps which are:

- Avoid impacts on onsite habitats of distinctiveness at least.
- Mitigate impacts on such habitats.
- Compensate through enhancement of onsite habitat.
- Compensate through creation of onsite habitat.
- Compensate through allocation of offsite habitat; and
- Purchase biodiversity credits.

Small developers must also highlight and give reason for moving down the steps in the BNG hierarchy in their initial BNG plan to LPAs.

What happens if developers fail to meet BNG obligations?

A developer must get their Biodiversity Net Gain Plan agreed by the Local Planning Authority before development commences. Failure to submit a Biodiversity Net Gain Plan and/or failure to follow it would be addressed by the Local Planning Authority under their planning enforcement powers.

Useful Resources

If you would like to find out further information on Biodiversity Net Gain and how the new changes will affect developers and planning permissions, HBF has a range of helpful resources.

- [Mandatory Biodiversity Net Gain webinar](#)
- [Understanding BNG requirements](#)