

Department for Environment, Food & Rural Affairs

Consultation on Biodiversity Net Gain for Nationally Significant Infrastructure Projects

28 May 2025

We are responsible for improving and protecting the environment. We aim to grow a green economy and sustain thriving rural communities. We also support our world-leading food, farming and fishing industries.

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Any enquiries regarding this publication should be sent to us at <u>bngconsultation@defra.gov.uk</u>

How to respond

The consultation will be open for 8 weeks. Please respond by 23:59 on 24th July 2025.

Our preferred way of receiving responses is through the Citizen Space platform accessible via Gov.UK.

If you are unable to use Citizen Space, you can download the consultation documents and return your response via email to <u>bngconsultation@defra.gov.uk</u>. Alternatively, you can post to Biodiversity Net Gain Consultation, Defra Seacole Building, 2 Marsham Street, London SW1P 4DF, United Kingdom

Using and sharing your information

1. How we use your personal data is set out in the consultation and call for evidence exercise privacy notice which can be found here: <u>https://www.gov.uk/government/publications/defras-consultations-and-call-forevidence-exercises-privacy-notice</u>

2. This consultation is being conducted in line with the Cabinet Office "Consultation Principles" and can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_ data/file/703564/Consultation_principles_.pdf

3. If you have any comments or complaints about the consultation process, please email: <u>consultation.coordinator@defra.gov.uk</u>

Confidentiality Question

Question 1: Would you like your response to be confidential?

 \Box Yes \Box No

If you answered Yes to this question, please give your reason(s).

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Introduction

The government is committed to delivering sustained economic growth to improve the prosperity of our country. Part of delivering this mission is accelerating the delivery of high-quality nature positive infrastructure.

We propose introducing Biodiversity Net Gain (BNG) for Nationally Significant Infrastructure Projects (NSIPs) in May 2026. This will provide a clear framework to ensure new major infrastructure developments leave biodiversity in a measurably better state than before development took place helping contribute to our legally binding Environment Act 2021 targets for biodiversity, as well as providing wider benefits for climate change adaptation and mitigation.

This consultation on BNG for NSIPs is one aspect of wider proposals for improving the efficiency of the planning system and environmental obligations, including the measures proposed in the Planning & Infrastructure Bill such as the Nature Restoration Fund and updates to relevant National Policy Statements. We are also running a separate consultation on improving the implementation of BNG for minor development.

The Environment Act 2021 introduced a mandatory Biodiversity Net Gain (BNG) requirement in England for new developments under the Town and County Planning Act 1990, meaning they must deliver 10% BNG and leave habitats in a better state for wildlife than they were in before. BNG became mandatory for most large Town and Country Planning Act 1990 developments from 12 February 2024, and then for smaller developments from 2 April 2024.

The Environment Act 2021 also provides for a statutory BNG requirement for NSIPs. NSIPs are large scale infrastructure projects of certain types and sizes, as defined in the Planning Act 2008. They are treated under a separate regime to developments under the Town and Country Planning Act 1990 because of their size and national importance. Instead of applying to the local authority for planning permission, NSIP developers must apply to the Planning Inspectorate (acting on behalf of the Secretary of State) for a Development Consent Order (DCO), which is determined by the relevant Secretary of State.

We intend for the BNG requirement to apply to NSIPs applications that are made after the go-live date in May 2026. We recognise that many NSIPs are already delivering biodiversity gains through their schemes, and we support their ambition.

The 2022 consultation on BNG regulations and implementation set out our high-level proposed approach for applying BNG to NSIPs. We know that stakeholders are preparing for the introduction of BNG, and as above, many NSIPs are already incorporating biodiversity gains into their schemes. This consultation sets out further detail on how we propose BNG will apply to NSIPs, providing more information for developers and decision makers on what will be expected on BNG after May 2026, helping them better prepare for go-live.

Aim of the consultation

This consultation outlines our proposals for the BNG requirement for NSIPs. We propose a 'core' approach to BNG for all NSIP types to maintain consistency across sectors and where possible reduce complexity for developers and decision makers. We are therefore seeking views on proposed model text for a core biodiversity gain statement that can be replicated and applied to each NSIP sector. If we find through this consultation that elements of the 'core' approach are not suitable for specific NSIP types, then the final biodiversity gain statement(s) for those NSIP types could set out bespoke arrangements.

We want to hear from stakeholders whether the model text provides a clear framework:

- a) for those making development consent applications to be able to deliver biodiversity net gain for their proposed NSIPs, and
- b) for the Examining Authority and the Secretary of State to determine whether applications meet the biodiversity gain objective.

The model text is separated into the following sections and questions are asked at the end of each section:

- Biodiversity gain objective
- Irreplaceable habitat
- Calculating BNG
- Pre-development biodiversity value
- Delivering BNG
- Considerations for the delivery of biodiversity gains
- Evidence for submission and decision making

The full proposed model text can be read in Annex 1.

We want to use this consultation to gather further evidence from stakeholders on the cost impact of BNG for NSIPs to support the development of a final impact assessment. Finally, we want to understand stakeholders' views on how to ensure BNG is implemented effectively for NSIPs. This document therefore concludes with overarching questions and sets out next steps on implementing BNG for NSIPs, including our plans to produce additional guidance and biodiversity gain plan templates (the document we propose applicants will use to evidence delivery of BNG).

We are also running a separate consultation on improving the implementation of BNG for minor development. Most of the consultation is not applicable to NSIPs, except section 4 on brownfield development with open mosaic habitat, which is relevant for all development types with a BNG requirement, including NSIPs.

Scope of biodiversity net gain

We want to ensure mandatory BNG is proportionate and delivers on government's ambitions to speed up the delivery of infrastructure while driving nature recovery. We think

the most consistent approach is to implement BNG for all NSIP sectors. This is in line with the policy direction set out in the BNG consultation response in February 2022. We therefore propose that BNG will apply to applications for development consent orders submitted under section 37 and determined under section 104 or 105 of the Planning Act 2008. We intend for this to include applications for development consent orders that are made following a direction under section 35 of the Planning Act 2008 that a development is to be treated as an NSIP. BNG will apply to NSIPs, or components of NSIPs, onshore in England, as far as the mean low-water mark. We propose BNG will apply to NSIPs, including any temporary, permanent, and associated development included within the development consent order site boundary, also referred to as the 'order limits'. Further detail and questions can be found in 'The pre-development biodiversity value' and 'Temporary use of land' sections of this consultation.

We are interested in stakeholder views on whether any NSIP development types or particular circumstances should have different requirements or remain in the existing voluntary regime. Please provide feedback in the Overarching Question section of this consultation.

Outside the scope of biodiversity net gain for NSIPs

Projects, or components of projects, in the marine environment beyond the intertidal zone are not included within the scope of the mandatory requirements for BNG for Town and Country Planning Act 1990 or NSIP schemes. There are provisions in the Environment Act 2021 to allow Marine Net Gain to be made mandatory for NSIPs in the future. Government will provide further information on the development of Marine Net Gain in due course.

Infrastructure projects consented through other routes, such as hybrid Bills, are not in scope of this consultation. We propose applying BNG to these other types of infrastructure where possible. This will require additional legislation, and we will provide further information in due course.

We do not intend to apply the BNG requirement to applications for changes to development consent orders that were not subject to mandatory BNG (i.e. where the relevant earlier development consent order application was submitted or granted before the BNG implementation date for NSIPs). This is to ensure BNG is not retrospectively applied to developments, which can be difficult to calculate and implement.

Implementing BNG through biodiversity gain statements.

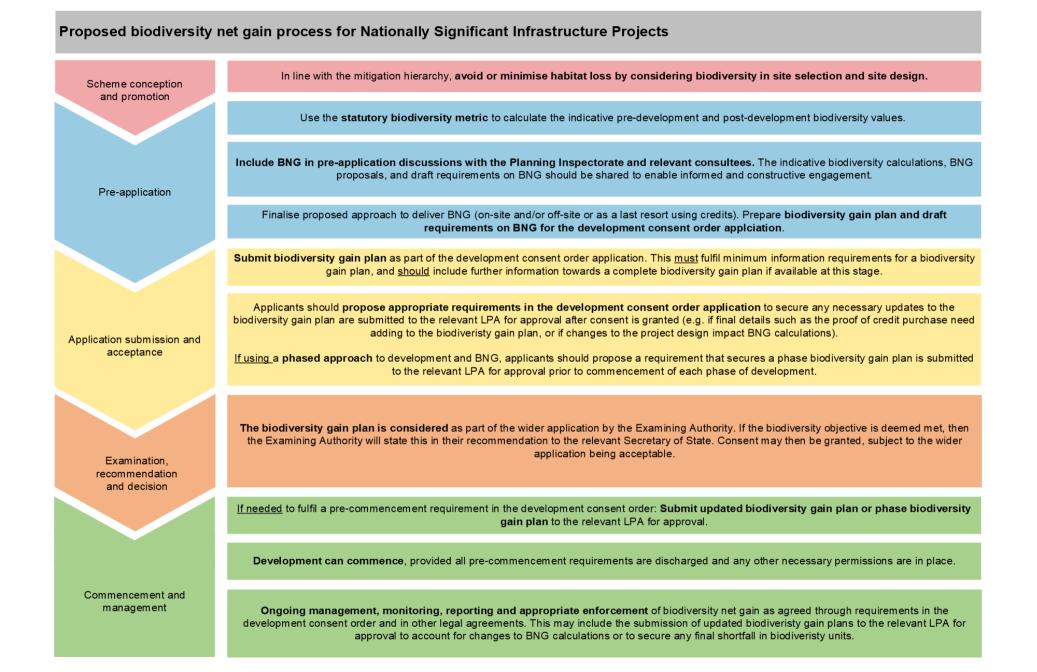
The process for implementing BNG for NSIPs is set out in the Environment Act 2021. National Policy Statements set out government objectives on NSIPs.¹ The government propose to set out a biodiversity gain objective for each NSIP type through separate "biodiversity gain statements" which have the same effect as if they were in the National Policy Statement. The separate statements will then be incorporated into the relevant National Policy Statement when they are next reviewed.

Following this consultation and associated response, we intend to coordinate the publication of biodiversity gain statements by each relevant Secretary of State for every National Policy Statement, and one for NSIPs without a National Policy Statement. We will work across government to maintain consistency across the statements unless there is a strong justification for a different approach.

Biodiversity net gain proposals

The figure below summarises our proposal for the overall BNG process for NSIPs. This section then sets out our detailed policy proposals and rationale; the draft model text that should be included in biodiversity gain statements; and asks stakeholders for views.

¹ National Policy Statements set out the government's objectives for the development of nationally significant infrastructure in a particular sector. They provide the framework within which Examining Authorities apply government policy when assessing applications for development consent for major infrastructure under the Planning Act 2008.



Biodiversity gain objective

A biodiversity gain statement must set out the biodiversity gain objective for the development that the statement applies to. This is an objective that the biodiversity value attributable to a development exceeds the pre-development biodiversity value of the on-site habitat by a specified percentage. This percentage must be at least 10%, and this can be amended by the Secretary of State through regulations.

Proposed model text for biodiversity gain statements:

Biodiversity gain objective

The biodiversity gain objective requires that the biodiversity value attributable to a development exceeds the pre-development biodiversity value of the on-site habitat by at least 10%. This is also referred to as 10% biodiversity net gain (BNG). This must be evidenced in a biodiversity gain plan. The following sections of this biodiversity gain statement detail how the biodiversity gain objective must be met.

Question 2: Do you agree that the proposed model text provides sufficient information on the biodiversity gain objective?

- Agree
- Disagree (please state what additional information you think is required, and explain why)
- Don't know
- Other (please explain)

Irreplaceable Habitat

We propose applying the same approach to irreplaceable habitats as we have applied to that of other development. This includes the definition and list of irreplaceable habitats as set out in the <u>Biodiversity Gain Requirements (Irreplaceable Habitat) Regulations 2024</u>.

A biodiversity gain statement must set out whether, and if so how, the biodiversity gain objective applies where there is irreplaceable habitat on-site.

Proposed model text for biodiversity gain statements:

Irreplaceable habitat

Irreplaceable habitats are those which would be technically very difficult (or take a very significant time) to restore, recreate or replace once destroyed. The biodiversity gain objective does not change the existing protections and compensation requirements for irreplaceable habitat. Where a proposed development will result in the loss or deterioration of any irreplaceable habitats on-site, applicants and decision

makers should refer to relevant planning policy and guidance on irreplaceable habitats.

How BNG applies to development on irreplaceable habitat

The biodiversity gain objective does not apply to any irreplaceable habitat on-site. This is because irreplaceable habitat has such a high biodiversity value, and it is so difficult to recreate, that it would be impossible to achieve the requirement to increase biodiversity on top of no net loss.

Applicants must make arrangements to minimise the adverse effect of the development on the biodiversity of any irreplaceable habitats on-site. A suitable compensation plan must be put in place where there are impacts to irreplaceable habitat.

Where there are no losses or deterioration of irreplaceable habitat, their enhancement may contribute towards the calculation of post-development biodiversity units. Enhancement works must be ecologically appropriate and not cause any loss or deterioration of irreplaceable habitats.

When development sites contain irreplaceable and non-irreplaceable habitat, the biodiversity gain objective must still be met for any non-irreplaceable habitat present on-site. This can include through enhancing irreplaceable habitat. This is in addition to agreeing bespoke compensation for loss or deterioration on irreplaceable habitat, which cannot count towards BNG.

Irreplaceable habitat evidence requirements

As part of an application for a development consent order, developers should provide a description and a plan of any irreplaceable habitat on-site at the date of the application.

In addition, the biodiversity gain plan must include information about how any loss or deterioration of the irreplaceable habitat has been minimised and must include an agreed compensation plan for any loss or deterioration to irreplaceable habitat.

The Secretary of State should not grant development consent for any development that would result in the loss or deterioration of irreplaceable habitats unless there are wholly exceptional reasons² and a suitable compensation strategy exists.

The Secretary of State must be satisfied that any loss or deterioration is minimised and that appropriate arrangements have been made to compensate for any loss or

² For example, where the public benefits (including need) of the nationally significant infrastructure would clearly outweigh the loss or deterioration of the habitat.

deterioration to irreplaceable habitat. The arrangements are only appropriate if they secure a compensation plan relative to the pre-development habitat type. Statutory biodiversity credits must not be used as compensation for impacts to irreplaceable habitat.

Calculating BNG when there are irreplaceable habitats

The statutory biodiversity metric does not calculate the biodiversity value of irreplaceable habitat impacted by development and flags that bespoke compensation needs to be agreed.

The statutory biodiversity metric user guide contains information on how to record onsite irreplaceable habitats in the statutory biodiversity metric calculation tool.³

Question 3: Do you agree that the proposed model text provides sufficient information on irreplaceable habitat?

- Agree
- Disagree (please state what additional information you think is required, and explain why)
- Don't know
- Other (please explain)

Calculating BNG

A biodiversity gain statement may specify how the biodiversity value is to be calculated.

The statutory biodiversity metric has been produced and published by Defra Secretary of State, and is used by relevant developments under the Town and Country Planning Act 1990 to calculate biodiversity value for the purpose of BNG. We propose that NSIPs must also use the statutory biodiversity metric to calculate biodiversity value for the purposes of biodiversity net gain. This aligns with the position previously set out in the <u>government</u> response to the metric consultation (2023), and we know that some NSIPs are already voluntarily using the statutory biodiversity metric for their schemes. This approach provides consistency across the planning regimes and ensure that NSIPs are able to purchase biodiversity units from the existing off-site market.⁴

The statutory biodiversity metric formula measures different types of habitat and takes into account factors such as its size, condition and strategic significance. For created or

³ Statutory biodiversity metric tools and guides - GOV.UK (www.gov.uk)

⁴ See the 'Delivering net gain' section for further information on delivering BNG using off-site biodiversity units.

enhanced habitats it also takes account of the difficulty of creation or enhancement, the time it takes a habitat to reach its target condition (including any advance or delay) and distance from the habitat loss. The <u>statutory biodiversity metric user guide</u> sets out essential information on how to calculate biodiversity value using the statutory biodiversity metric calculation tool.

Proposed model text for biodiversity gain statements:

Calculating BNG

Applicants must use the statutory biodiversity metric⁵ to calculate the biodiversity value or relative biodiversity value of any habitat or habitat enhancement for the purpose of meeting the biodiversity gain objective. The <u>statutory biodiversity metric</u> <u>calculation tool</u>⁶ must be used to prove the statutory metric formula has been applied properly. To inform the proper use of the statutory biodiversity metric calculation tool, users must have regard to the full statutory biodiversity metric package (including the statutory biodiversity metric user guides and condition assessments).

The statutory biodiversity metric measures biodiversity value of habitats by calculating "biodiversity units", which are used as a proxy for biodiversity value. There are three types of biodiversity unit that can be calculated by the statutory biodiversity metric: area habitat, hedgerow, and watercourse biodiversity units. 10% biodiversity net gain is required for each type of unit, as well as for the development overall.

The statutory biodiversity metric calculation tool uses the pre-development and postdevelopment biodiversity values to calculate the net percentage change in on-site biodiversity units relative to the pre-development biodiversity value of the on-site habitat. Biodiversity units can also be attributed to the development through allocating off-site gains to the development. Where off-site units are used by a development to meet the biodiversity gain objective, the metric calculates the overall net percentage change in biodiversity units (for the project as a whole) relative to the predevelopment value of the on-site habitat.

The statutory biodiversity metric tool calculates the remaining biodiversity units needed for a development to meet 10% biodiversity net gain. Where a development

⁵ This is the biodiversity metric referred to in paragraph 4 of Schedule 7A to the Town and Country Planning Act 1990. The statutory biodiversity metric is published here: <u>Statutory biodiversity metric (including small sites) - GOV.UK</u>

⁶ The biodiversity metric package includes the biodiversity metric calculation tool, the biodiversity metric user guide, and the biodiversity metric condition assessments. Refer to the statutory biodiversity metric act paper for more detail: <u>Statutory biodiversity metric (including small sites) - GOV.UK</u>

does not meet the biodiversity gain objective using on-site and/or off-site biodiversity gains, they can purchase statutory biodiversity credits as a last resort to make up the deficit in biodiversity units.

For a development to meet the biodiversity gain objective, the biodiversity value attributable to a development (which may include on-site units, off-site units and credits) must exceed the pre-development biodiversity value of the on-site habitat by at least 10%.

Question 4: Do you agree that the proposed model text, alongside the statutory metric user guide, provides sufficient detail on the process for calculating biodiversity net gain?

- Agree
- Disagree (please state what additional information you think is required, and explain why)
- Don't know
- Other (please explain)

We intend to make minor updates to the statutory biodiversity metric user guide ahead of BNG becoming mandatory for NSIPs. These updates will provide additional detail on how the metric can be applied for NSIPs where different approaches are needed. We propose updates will include:

- clarification that where a scheme crosses multiple local planning authority boundaries, NSIPs can deliver off-site biodiversity gains in any of the local planning authorities the scheme is in without incurring a spatial risk multiplier penalty. We propose to apply this same approach to national character areas, marine plan areas and waterbody and operational catchments.
- how to apply the metric to a scheme that includes associated development separate from the main development site.

Question 5: Do you think any additional guidance is required in the statutory metric user guide to clarify how it should be applied for NSIPs?

- Yes (please state what additional guidance you think is required, and explain why)
- No
- Don't know
- Other (please explain)

The pre-development biodiversity value

A biodiversity gain statement must specify what the pre-development biodiversity value of the on-site habitat consists of, and the relevant date that this was calculated. We propose that all habitats within the entire development site boundary (i.e. the order limits) must be included in the pre-development biodiversity value of the on-site habitat. This is the simplest approach as this boundary is clearly defined, avoiding the need for bespoke

arrangements or agreement with decision makers. It is also consistent with TCPA development where all habitats in the red line boundary are subject to BNG. However, we recognise that for NSIPs the development boundary may sometimes be much larger than the actual construction area. Therefore, we welcome evidence from developers on this point and any clear alternative.

The pre-development biodiversity value should reflect the value of these habitats on the date that the development consent order application is submitted to the Planning Inspectorate, unless an earlier date is justified, for example to allow earlier surveys from a more appropriate time of year to be used to calculate the pre-development biodiversity value.

To discourage the deliberate degradation of existing habitats to reduce the predevelopment biodiversity value, we propose that biodiversity gain statements include provisions to ensure that an earlier date is used to calculate the pre-development biodiversity value where there has been degradation of the on-site habitats prior to the submission of the development consent order application.

A biodiversity gain statement must also state that if a proposed development includes land that is registered as a biodiversity gain site, the applicant must use the projected biodiversity value of habitat enhancement to be achieved as recorded in the register as the pre-development value in the metric calculation for that land. We propose that the same approach should be taken where a proposed development includes land that is allocated and recorded by Natural England as off-site gain for an NSIP scheme.

Proposed model text for biodiversity gain statements:

The pre-development biodiversity value

The pre-development biodiversity value consists of the biodiversity value of all habitats within the entire development site boundary (i.e. the order limits).⁷

The pre-development biodiversity value of the on-site habitat used in the biodiversity gain plan and in the statutory biodiversity metric calculation submitted as part of a development consent order application must refer to the value of these habitats on the date of the development consent order application, unless an earlier date is required or justified, as explained below.

⁷ The exception is for any irreplaceable habitat within the development site boundary. Irreplaceable habitats must be recorded in the metric, but they will not be included in the pre-development biodiversity value. Refer to the irreplaceable habitat section for more detail.

An earlier date may be required to take account of any habitat clearance, destruction or degradation carried out before the submission of the development consent order. An earlier date must be used:

- a) If activities carried out on-site since 30 January 2020, other than in accordance with planning permission, a development consent order or such other permission of a kind specified by Secretary of State in regulations made under para. 6 of Schedule 7A of the Town and Country Planning Act 1990, result in a lower biodiversity value of the on-site habitat than it would otherwise have been.
- b) If activities carried out in connection with an existing planning permission or development consent order that has not begun or has not been completed that result in a lower biodiversity value of the on-site habitat than it would otherwise have been. For example, if a site is cleared under an existing planning permission, but the development is not built.

The earlier date must be immediately before the degradation activities were carried out. If there has been degradation and there is insufficient evidence about the predevelopment biodiversity value of the on-site habitat immediately before the degradation, the pre-development biodiversity value of the on-site habitat must be taken to be the highest biodiversity value of the habitat which is reasonably supported by any available evidence relating to it.

An earlier date to calculate the pre-development biodiversity value could also be used in other circumstances if justified. For example, to allow habitat surveys to take place at the most appropriate time of year to assess the habitats on-site, which may be in advance of the submission of the development consent order application.

Applicants are encouraged to engage with the Planning Inspectorate and the relevant local planning authority at the pre-application stage to discuss the use of or need for an earlier date for the pre-development biodiversity value. If an earlier date is used, applicants should include reasons for using this date in the biodiversity gain plan.

If a proposed development will take place on a registered biodiversity gain site, the applicant must use the projected biodiversity value to be achieved, as recorded on the register, as the pre-development value in the metric calculation for that land. Similarly, if a proposed development will take place on land that is allocated and recorded by Natural England as off-site gain for an NSIP scheme, the applicant should use the projected biodiversity value to be achieved, as recorded by Natural England, as the pre-development value in the metric calculation for that land.

In determining applications for development consent, the Secretary of State must be satisfied that the pre-development biodiversity value of the on-site habitat is as specified in the biodiversity gain plan and statutory biodiversity metric, and a suitable date is used to calculate this value.

Question 5: Do you agree with the proposal that all habitats within the development site boundary (i.e. the order limits) must be included in the pre-development biodiversity value?

- Agree
- Disagree (please state the circumstances when habitats should be excluded from the pre-development biodiversity value and why)
- Don't know
- Other (please explain)

Question 6: Do you agree that the proposed model text provides sufficient information on:

- a) what the pre-development biodiversity value consists of?
 - Agree
 - Disagree (please state what additional information you think is required, and explain why)
 - Don't know
 - Other (please explain)
- b) the relevant date for calculating the pre-development biodiversity value?
 - Agree
 - Disagree (please state what additional information you think is required, and explain why)
 - Don't know
 - Other (please explain)

Delivering BNG

A biodiversity gain statement may specify what can be attributed to a development's biodiversity value, and count towards meeting the biodiversity gain objective.

We propose that the following can count towards a development's BNG:

- On-site gains (i.e. the post development biodiversity value of the on-site habitat)
- Registered off-site gains allocated to the development
- Statutory biodiversity credits

We propose that all off-site gains must be registered on a biodiversity gain site register and allocated to the development to count towards BNG. This is in line with the existing BNG regime for Town and Country Planning Act 1990 development, and will prevent double counting of off-site gains to multiple developments. We intend to use the existing biodiversity gain site register for NSIPs and we are working to effect the necessary changes to ensure that it is compatible with the NSIP regime. We propose that applicants can deliver BNG on-site or off-site in the first instance, and by purchasing statutory biodiversity credits as a last resort. This differs from BNG for development granted permission under the Town and Country Planning Act 1990 where they must deliver on-site before using off-site gains. This different approach for NSIPs will ensure that applicants aren't incentivised to use compulsory acquisition to further expand their scheme boundaries to try and deliver BNG entirely on-site.

<u>Government guidance on compulsory acquisition</u> sets out that applicants should be able to demonstrate that all reasonable alternatives to compulsory acquisition have been explored.⁸ We therefore expect that once BNG is implemented for NSIPs, the availability of off-site units and statutory biodiversity credits will mean that applicants are unlikely to use compulsory acquisition of land, whether on-site at a development or off-site elsewhere, to meet their BNG requirement unless there are exceptional circumstances. We intend to provide additional guidance on this topic of compulsory acquisition and BNG. Refer to the "next steps" section for further detail on our plans for guidance.

A biodiversity gain statement must also provide detail on how any significant gains will be maintained and secured for them to be counted towards a development's BNG. We propose that significant on-site enhancements must be:

- maintained for at least 30 years from the completion of the habitat creation or enhancement works,
- secured through a requirement in the development consent order, a planning obligation or conservation covenant.

It is also expected that non-significant on-site gains should remain at approximately the same or higher biodiversity value for 30 years, but a legal agreement is not required to secure this.

As stated above, we propose all off-site gain must be registered to count towards BNG, and we intend to use the existing biodiversity gain site register for NSIPs. As a result, all off-site gains will also be maintained for at least 30 years from the completion of the habitat creation or enhancement works and secured though a legal agreement (planning obligation or conservation covenant), as this is a required for a biodiversity gain site to be accepted on the biodiversity gain sites register.

We propose that biodiversity gain statements include guidance to help applicants and decision makers understand what counts as a significant enhancement that needs to be legally secured. Biodiversity gain statements for different NSIP types may add sector-specific examples to provide further clarity on what types of on-site enhancements may be considered significant.

⁸ Planning Act 2008: procedures for the compulsory acquisition of land - GOV.UK, Page 5

If a development will deliver on-site gains in excess of the 10% required to the meet the biodiversity gain objective, these excess gains may be legally secured, registered, and allocated as off-site gains for another development, in line with the requirements for biodiversity gain sites.

Proposed model text for biodiversity gain statements:

Delivering BNG

The biodiversity value attributable to a development can include:

- the post-development biodiversity value of the on-site habitat (on-site gains)
- the biodiversity value of any registered off-site biodiversity gain allocated to the development (off-site gains)
- the biodiversity value of any biodiversity credits purchased for the development (credits)

The post-development biodiversity value of the on-site habitat (on-site gains)

To deliver biodiversity net gain, developers can create or enhance habitat on-site.

The post development biodiversity value of the on-site habitat is the projected biodiversity value of the on-site habitat at the time the development is completed. It can include the value of the habitats that will be retained on-site, and the value of any enhanced or newly created habitats on-site, providing these on-site gains are appropriately maintained and secured (as explained below).

Significant on-site enhancements must be maintained for at least 30 years from the completion of the habitat creation or enhancement works. The maintenance of significant on-site enhancements must be secured through requirements in the development consent order, planning obligations or conservation covenants, and must have a proportionate habitat management and monitoring plan that covers this entire period.

The Secretary of State must be satisfied that there are appropriate requirements attached to any development consent orders and/or in any planning obligations or conservation covenants, in order to ensure that all proposed significant on-site gains are or will be secured and will be maintained for a minimum of 30 years from the completion of the habitat creation or enhancement.

Significant on-site enhancements

Significant biodiversity enhancements are areas of habitat creation or enhancement carried out for the purposes of the development that increase the biodiversity value of habitat by an amount that is significant in relation to its previous biodiversity value. The Examining Authority and Secretary of State should determine what counts as a significant enhancement on a case-by-case basis as it will vary depending on the proposed enhancements and the value of previous habitat.

Development sites may contain a mix of significant and non-significant enhancements. Significant on-site enhancements could include but is not limited to:

- the creation or enhancement of medium or higher distinctiveness habitat in the biodiversity metric
- habitat creation or enhancement where distinctiveness is increased relative to the distinctiveness of the previous habitat
- enhancements to habitat condition, for example from poor or moderate to good

Non-significant on-site enhancements

Non-significant enhancements and retained habitats can be included in metric calculations to contribute to the post-development biodiversity value. Although non-significant on-site enhancements do not need a legal agreement to secure their maintenance, it is expected that their biodiversity value will remain at approximately the same or higher value over 30 years.

The biodiversity value of any off-site biodiversity gain allocated to the development (off-site gains)

For an applicant to meet their biodiversity net gain requirement, they can also attribute biodiversity value to the development through allocating registered off-site biodiversity gain⁹ (on the biodiversity gain site register) to the development.

Allocation of off-site gains

The allocation of registered off-site gains must be recorded on the biodiversity gain site register, and the reference number(s) must be added to the biodiversity gain plan.

Securing off-site gains

All off-site biodiversity gain will be appropriately secured with a legal agreement (conservation covenant or planning obligation) to ensure the gains are maintained for at least 30 years, as this is a requirement for biodiversity gain sites to be registered.

The Secretary of State must be satisfied that there are appropriate requirements attached to any development consent orders and/or in any planning obligations or

⁹ Registered off-site biodiversity gain as defined in paragraph 10 of Schedule 7A to the Town and Country Planning Act 1990.

conservation covenants, to ensure that all off-site gains are or will be allocated to the development.

Statutory biodiversity credits

If applicants are unable to deliver their biodiversity net gain requirement through available on-site and off-site options, applicants can buy <u>statutory biodiversity credits</u> from the UK government using the credits sales service.

The Secretary of State will only approve the buying of statutory credits as a last resort option to meet the biodiversity gain objective. Applicants must provide information in their biodiversity gain plan to justify the need for statutory biodiversity credits.

Question 7: Do you agree that the proposed model text provides sufficient information on delivering biodiversity net gain on-site, off-site and using credits?

- Agree
- Disagree (please state what additional information you think is required, and explain why)
- Don't know
- Other (please explain)

Question 8: Do you agree that the proposed model text provides sufficient guidance on how to determine what counts as a significant on-site enhancement?

- Agree
- Disagree (please state what additional information you think is required, and explain why)
- Don't know
- Other (please explain)

Temporary use of land

NSIPs may need to use some land temporarily during construction that isn't needed for the permanent operation of the project. Without any adjustment to the BNG policy, this 'temporary land' would be included in the pre-development biodiversity value of on-site habitat and would be subject to the 10% BNG requirement. Where habitats are retained, these could be counted in the post-development biodiversity value in the statutory biodiversity metric, however any significant enhancements to habitats could only count towards the post-development biodiversity value if they are secured for at least 30 years.

Some stakeholders have highlighted concern that they may not be able to secure any biodiversity gains on this 'temporary land' due to difficulties agreeing this with landowners, who may not be willing to restrict their use of the land for 30 years. Similarly, if an NSIP uses compulsory acquisition of land to construct the project, they may have difficulty

disposing of (i.e. selling) the land after construction if the habitats are secured for 30 years.

Question 9: Do you think there needs to be a bespoke policy on delivering BNG where land is temporarily used for construction of NSIP schemes?

- Yes (please explain why a different policy is required and what this should be)
- No
- Don't know
- Other (please explain)

Considerations for the delivery of biodiversity gains

Applicants will deliver BNG alongside other existing development and environmental policies and obligations. We therefore propose that biodiversity gain statements include detail on how BNG interacts with these other schemes.

We propose that habitats that are enhanced or created to meet other obligations or policies may be able to count towards BNG, in line with the approach for Town and Country Planning Act 1990 development. We propose that applicants should adhere to the latest guidance on what other schemes can count towards BNG.¹⁰ This will allow for schemes to be added or amended in the guidance to reflect changes to wider environmental policy over time.

The biodiversity gain objective does not alter existing policy on the mitigation hierarchy (as set out in the National Planning Policy Framework (NPPF) paragraph 193a). This is the principle that significant environmental harm resulting from a development should first be avoided, adequately mitigated, or, as a last resort, compensated for. The NPPF may be considered as a matter that is both important and relevant to the Secretary of State's decision. We propose that biodiversity gain statements refer to the mitigation hierarchy to ensure applicants must aim to first avoid, and then mitigate impacts to biodiversity before compensating for unavoidable losses.

When planning the delivery of BNG, applicants will have choice over where and how to deliver gains, both on-site and off-site. We propose that biodiversity gain statements outline some of the key considerations for applicants to deliver BNG in locations that contribute to good outcomes for the environment and local communities.

¹⁰ Guidance for Town and Country Planning Act 1990 development is available here: <u>What you can count</u> towards a development's biodiversity net gain - GOV.UK (www.gov.uk). We propose to mirror this approach for NSIPs.

Proposed model text for biodiversity gain statements:

Considerations for the delivery of biodiversity gains

Interaction with other policies and obligations

Biodiversity net gain does not change or replace existing environmental obligations and will be delivered alongside other development and environmental policies and obligations. Applicants may also create or enhance habitats as part of the development to meet other obligations or policies (such as green infrastructure, protected sites and species mitigation and compensation, and sustainable drainage).

Some of this habitat creation or enhancement for other purposes may be able to count towards the biodiversity gain objective in part or in full. Applicants should adhere to the latest guidance on how to count other schemes towards BNG. If an applicant proposes to count other habitat creation or enhancement work towards BNG, they must include it in the metric calculation and the biodiversity gain plan.

Biodiversity enhancements in protected sites

Applicants may be able to enhance non-designated features of protected sites for the purpose of biodiversity net gain, providing that the proposals do not risk harming the designated features, designated species or supporting habitat. Landowners must get agreement, and where necessary, consent from the Natural England for any proposed biodiversity gains on protected sites before any works on the protected site begin.

For coastal protected sites that contain intertidal habitats, biodiversity units can be delivered on both designated and non-designated features of the site where such features are on or comprise intertidal habitats. The broad habitat types this applies to are Coastal lagoons, Coastal saltmarsh, Intertidal hard structures, Intertidal sediment, and Rocky shore. This is subject to agreement, and where necessary, consent from the relevant consenting organisation must be secured before works on the protected site can proceed. Consents are typically time limited and will require renewal for the duration of the BNG agreement.

Mitigation hierarchy

Biodiversity net gain should be applied in conjunction with the mitigation hierarchy.¹¹ Applicants should avoid significant harm to biodiversity resulting from the proposed development in the first instance. Where it is not possible to avoid significant harm to biodiversity, applicants should include appropriate mitigation measures to reduce the impact, and as a last resort, provide compensation for any harm to biodiversity. Applicants must include detail in their biodiversity gain plan on how their proposals follow the mitigation hierarchy.

When examining or determining whether an application meets the biodiversity gain objective, the Examining Authority and Secretary of State should consider whether the applicant has taken sufficient measures to deliver the biodiversity gain objective in conjunction with the mitigation hierarchy.

The location of biodiversity gains

Applicants should plan the delivery of biodiversity gain with regard to both the 'spatial hierarchy' preference for local enhancements, and strategic significance (defined by the relevant local nature recovery strategy (LNRS)¹²). These principles are incentivised through the biodiversity metric calculation, which places greater reward for habitat enhancement and creation where it is strategically important and local to the development impact site.

For intertidal development, applicants should consider strategic off-site BNG delivery in locations already identified as optimal for managed realignment, and other strategic intertidal habitat creation. For intertidal habitats an off-site location is 'local' to the development if it falls within the same Marine Plan Area.

Spatial hierarchy

Applicants should plan the delivery of biodiversity gain with regard to the 'spatial hierarchy' preference for the delivery of biodiversity enhancements close to where the losses of biodiversity occurred. The spatial risk multiplier within the statutory biodiversity metric incentivises this local delivery of off-site habitat based on local

¹¹ The principle that environmental harm resulting from a development should first be avoided, adequately mitigated, or, as a last resort, compensated for. The mitigation hierarchy is set out the National Planning Policy Framework (NPPF) paragraph 193a. The NPPF may be considered as a matter that is both important and relevant to the Secretary of State's decision.

¹² The Environment Act 2021 required the preparation of LNRS covering the whole of England. LNRS are locally-led, evidence-based, decision-making tools, which propose how and where to recover nature. The first cycle of LNRS are being published over the course of 2024 and 2025, and they must be reviewed and republished every 3 to 10 years.

planning authority and National Character Area boundaries, Marine Plan Areas for intertidal habitats or waterbody and operational catchments for watercourse habitats.

Off-site habitat compensation located in any local planning authority, National Character Area, Marine Plan Area, waterbody catchment or operational catchment that the development spans does not incur a spatial risk multiplier penalty. Any neighbouring local planning authority, National Character Area, Marine Plan Area, waterbody catchment or operational catchment is considered a neighbouring site to the on-site habitat loss.

Strategic significance

Applicants should consider relevant LNRS when planning the delivery of biodiversity gains. LNRS will help to coordinate delivery of biodiversity gains in locations where they will have the greatest impact, including increased habitat connectivity and wider environmental benefits.¹³ Each LNRS local habitat map should include the most important locations and proposals for nature recovery ('mapped measures'). Applicants will receive a strategic significance uplift in post-development biodiversity value for carrying out these proposals.

Applicants should include detail in their biodiversity gain plan on the parcels which have been recorded with high strategic significance, and their location. They can draw on the information included in the strategies, to highlight how their planned gains will contribute to the area's priorities for biodiversity and the wider environment.

Question 10: Do you agree that the proposed model text provides sufficient information on the wider considerations for delivering biodiversity gains?

- Agree
- Disagree (please state what additional information you think is required, and explain why)
- Don't know
- Other (please explain)

Evidence for submission, and decision making

A biodiversity gain statement must specify the evidence that applicants must produce in order to demonstrate that the biodiversity gain objective is met. To allow the Secretary of

¹³ Before an LNRS is published, applicants should refer to the alternative document for assigning strategic significance, which the local planning authority must specify. This document could be one of a list of examples included in the biodiversity metric user guide.

State to grant development consent under the Planning Act 2008 we propose applicants must submit a biodiversity gain plan and a completed biodiversity metric calculation to the Examining Authority as part of their development consent order application. We propose that the biodiversity gain plan must meet the minimum information requirements as set out in the model text below.

In many cases, there will be final details of the biodiversity gain plan that cannot be added until after consent is granted, such as the allocation of off-site gains or proof of credit purchase. We also recognise that changes to the project design may take place after consent, impacting BNG calculations. To account for these post-consent changes, we propose that updated biodiversity gain plans and statutory biodiversity metric calculations are submitted to the relevant local planning authority for approval post-consent. Where NSIPs are delivered in phases, we propose this post-consent approval process can be carried out in phases.

Development consent orders must include appropriate requirements to secure the approval of these post consent changes. We propose that requirements should secure that all or most biodiversity units (including off-site units and credits) are secured before development (or a phase of development) is commenced. Any final shortfall in biodiversity units must be secured once the final impact on habitats is known, for example, before construction is completed or the development comes into operation. Requirements will be drafted on a case-by-case basis for each development consent order, and should be proportionate to the scale and level of uncertainty in the scheme design and BNG proposals. We intend to provide additional guidance on drafting requirements on BNG.

We propose that BNG enforcement takes place using existing enforcement processes, consistent with the approach for BNG for the Town and Country Planning Act 1990. Local planning authorities have powers to enforce the terms of a development consent order, which will include requirements that secure the biodiversity gain objective is met by a development. For example, where there are requirements to secure that the developer maintains the significant on-site enhancements for at least 30 years, the local planning authority may take enforcement action if these biodiversity gains aren't created and maintained as set out in the requirement.

Where there are legal agreements (planning obligations or conservation covenants) securing the delivery and maintenance of any biodiversity gains, the appropriate body (local planning authority or responsible body) may take enforcement action if the biodiversity gains aren't created and maintained as set out in the legal agreement. It is the responsibility of the landowner entered into the planning obligation or conservation covenant to meet the obligations of the legal agreement.

Proposed model text for biodiversity gain statements:

Evidence for submission

As part of the pre-application consultation, applicants should share the indicative biodiversity net gain requirement for the project (calculated using the statutory

biodiversity metric) and their proposed plan to deliver the required gains with relevant consultees. Applicants are encouraged to engage with the Planning Inspectorate, the relevant local planning authority, Natural England, and where relevant the Environment Agency and Forestry Commission, as early as possible on their indicative biodiversity net gain requirement and proposed delivery of gains.

Applicants must submit a biodiversity gain plan and a completed statutory biodiversity metric calculation to the Planning Inspectorate as part of their development consent order application. Applicants must include the minimum information required for a biodiversity gain plan at the application stage, and should submit further relevant information if available to help demonstrate that the biodiversity gain objective will be met. Applicants may also need to submit updated biodiversity gain plans and completed statutory biodiversity metric calculations to the relevant local planning authority for approval after consent is granted. This subsequent approval process will be needed when there are details of the biodiversity gain plan that are not available until after consent (such as the allocation of off-site gains or proof of credit purchase) and if there are changes to the project design and biodiversity net gain calculations after consent.

Applicants should propose requirements in the draft development consent order to secure this post-consent approval process. Requirements should ensure that all or most of the biodiversity units required to meet the biodiversity gain objective are secured before development (or a phase of development) is commenced, and any final shortfall in biodiversity units are secured once the final impact on habitats is known, for example, before construction is completed or the development comes into operation.

Phased approach to BNG

If the proposed development will be delivered in phases and the detailed design of all phases are not known at the application stage, the applicant may submit biodiversity gain plans for approval on a phased approach. Applicants should discuss this approach with the Planning Inspectorate and the relevant local planning authority at the pre-application stage.

When a phased approach is taken, the applicant must still submit a biodiversity gain plan with the development consent order application. The biodiversity gain plan must set out how the biodiversity gain objective is expected to be met across the entire development, and how each phase is expected to contribute towards this. Applicants should propose requirements in the draft development consent order to ensure that a phase biodiversity gain plan is submitted to and approved by the relevant local planning authority prior to the commencement of development of each phase. The phase biodiversity gain plan must set out a phase's contribution to biodiversity net gain and confirm progress towards the overall biodiversity gain objective for the development.

Biodiversity gain plan information requirements

The biodiversity gain plan must provide the following information at the application stage:

- details of the person completing and submitting the plan, and the development to which the plan relates
- information about the steps taken or to be taken to minimise the adverse effect of the development on the biodiversity of the onsite habitat and any other habitat
- the pre-development biodiversity value of the onsite habitat
- the post-development biodiversity value of the onsite habitat
- the post-development biodiversity value of the onsite habitat for each phase of development (only if a phased approach to biodiversity net gain is taken)
- strategy to meet the biodiversity gain objective, including the proposed use of off-site gains and credits (if applicable). Include detail on the strategy for each phase of development (only if a phased approach to biodiversity net gain is taken) the date used to calculate the pre-development biodiversity value of onsite habitats, and if proposing an earlier date, the reasons for proposing that date
- If activities have been carried out prior to the date of application that result in loss of on-site biodiversity value (i.e. degradation):
 - o a statement setting out that degradation activities have been carried out
 - confirmation of the date immediately before these activities were carried out
 - the pre-development biodiversity value of the onsite habitat on this date
 - \circ the completed metric calculation tool showing the calculations
 - any available supporting evidence of this
- the completed biodiversity metric calculation tool(s), stating the publication date of the tool(s), and showing the calculation of the pre-development on-site value on the relevant date, and post-development biodiversity value
- arrangements for maintenance and monitoring of significant on-site habitat enhancement (habitat management and monitoring plan, and details of how this these enhancements are secured)
- pre-development and post-development plans showing the location of onsite habitat (including any irreplaceable habitat) on the relevant date, and drawn to an identified scale and showing the direction of North
- a description of any irreplaceable habitat on the land to which the plan relates which exist on the relevant date, and where necessary, a compensation plan for any impacts of the development on the irreplaceable habitat

The following information should be included at the application stage where available, and if not, must be included in an updated biodiversity gain plan submitted to the relevant local planning authority for approval post-consent:

• off-site biodiversity gain allocated to the development (if applicable)

- biodiversity credits purchased for the development, and justification that credits are needed (if applicable)
- the completed biodiversity metric calculation tool(s), stating the publication date of the tool(s), and showing the calculation of the pre-development on-site value on the relevant date, and post-development biodiversity value, including any allocated off-site gains (if applicable)
- arrangements for maintenance and monitoring of significant off-site habitat enhancement (including a habitat management and monitoring plan, and details of how these enhancements are secured) (if applicable)

Decision making

The Secretary of State will not grant an application for development consent unless satisfied that the proposed development meets the biodiversity gain objective contained in a relevant separate biodiversity gain statement or relevant National Policy statement (where applicable) under Schedule 2A. The Secretary of State can consider the biodiversity gain objective as met if there are requirements in the development consent order securing it will be.

Question 11: Do you agree that the proposed model text provides sufficient information on the following:

- a) Evidence for submission?
 - Agree
 - Disagree (please state what additional information you think is required, and explain why)
 - Don't know
 - Other (please explain)
- b) Decision making?
 - Agree
 - Disagree (please state what additional information you think is required, and explain why)
 - Don't know
 - Other (please explain)

Question 12: Do you agree with the proposal to allow updated biodiversity gain plans to be submitted to the relevant local planning authority for approval after consent is granted?

- Agree
- Disagree (please state what alternative you think would be more appropriate and why)
- Don't know
- Other (please explain)

Supporting evidence

We published a consultation stage impact assessment on implementing BNG for NSIPs alongside the previous <u>BNG consultation in 2022</u>. We now have more up to date information on the pipeline of future NSIP projects across some sectors, and have produced updated cost estimates of implementing BNG, taking into account this additional information.

We intend to produce a final stage impact assessment before bringing BNG into force for NSIPs, and welcome suggestions for additional evidence that could feed into this future analysis. For example, this could include evidence on:

- the estimated cost to an NSIP developer of delivering biodiversity gains on-site and off-site
- the expected proportion of BNG that will be delivered on-site for NSIPs
- a counterfactual that takes into account habitat creation and enhancement that takes place as part of NSIP development for purposes other than BNG
- how mandatory BNG changes NSIP development practices
- whether there is a substantive difference between the NSIP sectors in the sample and analysis compared to those that are expected to become more prevalent in the future (for example, solar, water, airports, nuclear)

Question 13: Do you have any evidence for us to consider as part of our final impact assessment on implementing BNG for NSIPs?

- Yes (please provide the evidence you think should be considered and explain why)
- No
- Don't know
- Other (please explain)

Overarching questions

Question 14: Do you think the policy proposals and model text for the biodiversity gain statements outlined in this consultation need amending for any specific NSIP type?

- Yes (please explain how and why you think the proposals needs amending, and for which NSIP type(s))
- No
- Don't know
- Other (please explain)

Question 15: Do you think there are any NSIP types or circumstances that should have different requirements or remain in a voluntary regime (noting this would continue to exclude them from buying registered off-site biodiversity gains and statutory biodiversity credits)?

- Yes (please explain and provide evidence where possible)
- No
- Don't know
- Other (please explain)

Question 16: Do you have any additional comments on the draft biodiversity gain statement or on the next steps that are not covered by the previous questions?

- Yes (please explain)
- No

Next Steps

This consultation closes on 24th July 2025. We will consider the views raised in response to this consultation. We will then publish a summary of responses and government response to this consultation.

Following this, we will make any required changes to the details of the biodiversity gain objective for NSIPs, and work across government to finalise and publish a comprehensive set of biodiversity gain statements for all NSIP types. We also intend to publish a biodiversity gain statement for NSIPs which do not have a designated National Policy Statement. This could include new NSIP types that may be brought in following the 2024 National Planning Policy Framework consultation and could apply to some applications that are directed to the NSIP regime under section 35 of the Planning Act 2008 that aren't in scope of any of the designated NPSs. The published statements will sit alongside National Policy Statements for each NSIP type and allow stakeholders to make final preparations before the BNG requirement comes into effect in May 2026 for all NSIPs.

We do not intend to include biodiversity gain statements in any new or updated National Policy Statements that are designated earlier than the timetable set out above for all other statements.

Biodiversity gain plan template

To complement the list of requirements contained within this statement, we are considering developing biodiversity gain plan templates for NSIP applicants to complete and submit as part of their application for development consent. We expect that the information requested in biodiversity gain plan templates for NSIPs will be largely consistent with that in the <u>biodiversity gain plan templates</u> for Town and Country Planning Act 1990 development. However, we understand that there may need to be some

amendments to make the template better suited to the scale and complexity of NSIPs, and to match the BNG policy requirements for NSIPs.

Guidance

In addition to the biodiversity gain statement, we intend to produce guidance to assist those involved in delivering or making decisions on biodiversity net gain for NSIP schemes. We are considering providing guidance on a range of topics, including:

- schemes crossing multiple boundaries (local planning authority, NCA or MPA)
- pre-development biodiversity value, including selecting and agreeing an appropriate date to calculate this value
- calculating the post-development biodiversity value at the application stage, and how to account for uncertainty in the detailed design of the development
- securing significant on-site gains
- the use of compulsory acquisition powers for BNG
- habitat management and monitoring plans
- drafting and discharging requirements on BNG, and how to address post-consent changes to BNG calculations
- phased approach to biodiversity gain plan approval
- statutory biodiversity metric case study (or studies) for NSIPs
- the roles of developers, local planning authorities and statutory bodies in engaging with BNG
- how to take account of aerodrome safeguarding when planning biodiversity gains
- as the details of the marine net gain regime are developed further, we will provide clarity on the relationship between the biodiversity net gain and marine net gain regimes

Question 17: Do you think there are any other topics that should be covered in BNG guidance for NSIPs?

- Yes (please state what additional guidance you think is required, and explain why)
- No
- Don't know
- Other (please explain)

Annex 1 – Model Biodiversity Gain Statement Text

Biodiversity gain objective

The biodiversity gain objective requires that the biodiversity value attributable to a development exceeds the pre-development biodiversity value of the on-site habitat by at least 10%. This is also referred to as 10% biodiversity net gain (BNG). This must be evidenced in a biodiversity gain plan. The following sections of this biodiversity gain statement detail how the biodiversity gain objective must be met.

Irreplaceable habitat

Irreplaceable habitats are those which would be technically very difficult (or take a very significant time) to restore, recreate or replace once destroyed. The biodiversity gain objective does not change the existing protections and compensation requirements for irreplaceable habitat. Where a proposed development will result in the loss or deterioration of any irreplaceable habitats on-site, applicants and decision makers should refer to relevant planning policy and guidance on irreplaceable habitats.

How BNG applies to development on irreplaceable habitat

The biodiversity gain objective does not apply to any irreplaceable habitat on-site. This is because irreplaceable habitat has such a high biodiversity value, and it is so difficult to recreate, that it would be impossible to achieve the requirement to increase biodiversity on top of no net loss.

Applicants must make arrangements to minimise the adverse effect of the development on the biodiversity of any irreplaceable habitats on-site. A suitable compensation plan must be put in place where there are impacts to irreplaceable habitat.

Where there are no losses or deterioration of irreplaceable habitat, their enhancement may contribute towards the calculation of post-development biodiversity units. Enhancement works must be ecologically appropriate and not cause any loss or deterioration of irreplaceable habitats.

When development sites contain irreplaceable and non-irreplaceable habitat, the biodiversity gain objective must still be met for any non-irreplaceable habitat present on-site. This can include through enhancing irreplaceable habitat. This is in addition to agreeing bespoke compensation for loss or deterioration on irreplaceable habitat, which cannot count towards BNG.

Irreplaceable habitat evidence requirements

As part of an application for a development consent order, developers should provide a description and a plan of any irreplaceable habitat on-site at the date of the application.

In addition, the biodiversity gain plan must include information about how any loss or deterioration of the irreplaceable habitat has been minimised and must include an agreed compensation plan for any loss or deterioration to irreplaceable habitat.

The Secretary of State should not grant development consent for any development that would result in the loss or deterioration of irreplaceable habitats unless there are wholly exceptional reasons¹⁴ and a suitable compensation strategy exists.

The Secretary of State must be satisfied that any loss or deterioration is minimised and that appropriate arrangements have been made to compensate for any loss or deterioration to irreplaceable habitat. The arrangements are only appropriate if they secure a compensation plan relative to the pre-development habitat type. Statutory biodiversity credits must not be used as compensation for impacts to irreplaceable habitat.

Calculating BNG when there are irreplaceable habitats

The statutory biodiversity metric does not calculate the biodiversity value of irreplaceable habitat impacted by development and flags that bespoke compensation needs to be agreed.

The statutory biodiversity metric user guide contains information on how to record on-site irreplaceable habitats in the statutory biodiversity metric calculation tool.¹⁵

Calculating BNG

Applicants must use the statutory biodiversity metric¹⁶ to calculate the biodiversity value or relative biodiversity value of any habitat or habitat enhancement for the purpose of meeting the biodiversity gain objective. The <u>statutory biodiversity metric calculation tool</u>¹⁷ must be used to prove the statutory metric formula has been applied properly. To inform

¹⁴ For example, where the public benefits (including need) of the nationally significant infrastructure would clearly outweigh the loss or deterioration of the habitat.

¹⁵ Statutory biodiversity metric tools and guides - GOV.UK (www.gov.uk)

¹⁶ This is the biodiversity metric referred to in paragraph 4 of Schedule 7A to the Town and Country Planning Act 1990. The statutory biodiversity metric is published here: <u>Statutory biodiversity metric (including small sites) - GOV.UK</u>

¹⁷ The biodiversity metric package includes the biodiversity metric calculation tool, the biodiversity metric user guide, and the biodiversity metric condition assessments. Refer to the statutory biodiversity metric act paper for more detail: <u>Statutory biodiversity metric (including small sites) - GOV.UK</u>

the proper use of the statutory biodiversity metric calculation tool, users must have regard to the full statutory biodiversity metric package (including the statutory biodiversity metric user guides and condition assessments).

The statutory biodiversity metric measures biodiversity value of habitats by calculating "biodiversity units", which are used as a proxy for biodiversity value. There are three types of biodiversity unit that can be calculated by the statutory biodiversity metric: area habitat, hedgerow, and watercourse biodiversity units. 10% biodiversity net gain is required for each type of unit, as well as for the development overall.

The statutory biodiversity metric calculation tool uses the pre-development and postdevelopment biodiversity values to calculate the net percentage change in on-site biodiversity units relative to the pre-development biodiversity value of the on-site habitat. Biodiversity units can also be attributed to the development through allocating off-site gains to the development. Where off-site units are used by a development to meet the biodiversity gain objective, the metric calculates the overall net percentage change in biodiversity units (for the project as a whole) relative to the pre-development value of the on-site habitat.

The statutory biodiversity metric tool calculates the remaining biodiversity units needed for a development to meet 10% biodiversity net gain. Where a development does not meet the biodiversity gain objective using on-site and/or off-site biodiversity gains, they can purchase statutory biodiversity credits as a last resort to make up the deficit in biodiversity units.

For a development to meet the biodiversity gain objective, the biodiversity value attributable to a development (which may include on-site units, off-site units and credits) must exceed the pre-development biodiversity value of the on-site habitat by at least 10%.

The pre-development biodiversity value

The pre-development biodiversity value consists of the biodiversity value of all habitats within the entire development site boundary (i.e. the order limits).¹⁸

The pre-development biodiversity value of the on-site habitat used in the biodiversity gain plan and in the statutory biodiversity metric calculation submitted as part of a development consent order application must refer to the value of these habitats on the date of the development consent order application, unless an earlier date is required or justified, as explained below.

¹⁸ The exception is for any irreplaceable habitat within the development site boundary. Irreplaceable habitats must be recorded in the metric, but they will not be included in the pre-development biodiversity value. Refer to the irreplaceable habitat section for more detail.

An earlier date may be required to take account of any habitat clearance, destruction or degradation carried out before the submission of the development consent order. An earlier date must be used:

- c) If activities carried out on-site since 30 January 2020, other than in accordance with planning permission, a development consent order or such other permission of a kind specified by Secretary of State in regulations made under para. 6 of Schedule 7A of the Town and Country Planning Act 1990, result in a lower biodiversity value of the on-site habitat than it would otherwise have been.
- d) If activities carried out in connection with an existing planning permission or development consent order that has not begun or has not been completed that result in a lower biodiversity value of the on-site habitat than it would otherwise have been. For example, if a site is cleared under an existing planning permission, but the development is not built.

The earlier date must be immediately before the degradation activities were carried out. If there has been degradation and there is insufficient evidence about the pre-development biodiversity value of the on-site habitat immediately before the degradation, the pre-development biodiversity value of the on-site habitat must be taken to be the highest biodiversity value of the habitat which is reasonably supported by any available evidence relating to it.

An earlier date to calculate the pre-development biodiversity value could also be used in other circumstances if justified. For example, to allow habitat surveys to take place at the most appropriate time of year to assess the habitats on-site, which may be in advance of the submission of the development consent order application.

Applicants are encouraged to engage with the Planning Inspectorate and the relevant local planning authority at the pre-application stage to discuss the use of or need for an earlier date for the pre-development biodiversity value. If an earlier date is used, applicants should include reasons for using this date in the biodiversity gain plan.

If a proposed development will take place on a registered biodiversity gain site, the applicant must use the projected biodiversity value to be achieved, as recorded on the register, as the pre-development value in the metric calculation for that land. Similarly, if a proposed development will take place on land that is allocated and recorded by Natural England as off-site gain for an NSIP scheme, the applicant should use the projected biodiversity value to be achieved, as recorded by Natural England, as the pre-development value in the metric calculation for that land.

In determining applications for development consent, the Secretary of State must be satisfied that the pre-development biodiversity value of the on-site habitat is as specified in the biodiversity gain plan and statutory biodiversity metric, and a suitable date is used to calculate this value.

Delivering BNG

The biodiversity value attributable to a development can include:

- the post-development biodiversity value of the on-site habitat (on-site gains)
- the biodiversity value of any registered off-site biodiversity gain allocated to the development (off-site gains)
- the biodiversity value of any biodiversity credits purchased for the development (credits)

The post-development biodiversity value of the on-site habitat (on-site gains)

To deliver biodiversity net gain, developers can create or enhance habitat on-site.

The post development biodiversity value of the on-site habitat is the projected biodiversity value of the on-site habitat at the time the development is completed. It can include the value of the habitats that will be retained on-site, and the value of any enhanced or newly created habitats on-site, providing these on-site gains are appropriately maintained and secured (as explained below).

Significant on-site enhancements must be maintained for at least 30 years from the completion of the habitat creation or enhancement works. The maintenance of significant on-site enhancements must be secured through requirements in the development consent order, planning obligations or conservation covenants, and must have a proportionate habitat management and monitoring plan that covers this entire period.

The Secretary of State must be satisfied that there are appropriate requirements attached to any development consent orders and/or in any planning obligations or conservation covenants, in order to ensure that all proposed significant on-site gains are or will be secured and will be maintained for a minimum of 30 years from the completion of the habitat creation or enhancement.

Significant on-site enhancements

Significant biodiversity enhancements are areas of habitat creation or enhancement carried out for the purposes of the development that increase the biodiversity value of habitat by an amount that is significant in relation to its previous biodiversity value. The Examining Authority and Secretary of State should determine what counts as a significant enhancement on a case-by-case basis as it will vary depending on the proposed enhancements and the value of previous habitat.

Development sites may contain a mix of significant and non-significant enhancements. Significant on-site enhancements could include but is not limited to:

- the creation or enhancement of medium or higher distinctiveness habitat in the biodiversity metric
- habitat creation or enhancement where distinctiveness is increased relative to the distinctiveness of the previous habitat

 enhancements to habitat condition, for example from poor or moderate to good

Non-significant on-site enhancements

Non-significant enhancements and retained habitats can be included in metric calculations to contribute to the post-development biodiversity value. Although non-significant on-site enhancements do not need a legal agreement to secure their maintenance, it is expected that their biodiversity value will remain at approximately the same or higher value over 30 years.

The biodiversity value of any off-site biodiversity gain allocated to the development (off-site gains)

For an applicant to meet their biodiversity net gain requirement, they can also attribute biodiversity value to the development through allocating registered off-site biodiversity gain¹⁹ (on the biodiversity gain site register) to the development.

Allocation of off-site gains

The allocation of registered off-site gains must be recorded on the biodiversity gain site register, and the reference number(s) must be added to the biodiversity gain plan.

Securing off-site gains

All off-site biodiversity gain will be appropriately secured with a legal agreement (conservation covenant or planning obligation) to ensure the gains are maintained for at least 30 years, as this is a requirement for biodiversity gain sites to be registered.

The Secretary of State must be satisfied that there are appropriate requirements attached to any development consent orders and/or in any planning obligations or conservation covenants, to ensure that all off-site gains are or will be allocated to the development.

Statutory biodiversity credits

If applicants are unable to deliver their biodiversity net gain requirement through available on-site and off-site options, applicants can buy <u>statutory biodiversity credits</u> from the UK government using the credits sales service.

¹⁹ Registered off-site biodiversity gain as defined in paragraph 10 of Schedule 7A to the Town and Country Planning Act 1990.

The Secretary of State will only approve the buying of statutory credits as a last resort option to meet the biodiversity gain objective. Applicants must provide information in their biodiversity gain plan to justify the need for statutory biodiversity credits.

Considerations for the delivery of biodiversity gains

Interaction with other policies and obligations

Biodiversity net gain does not change or replace existing environmental obligations and will be delivered alongside other development and environmental policies and obligations. Applicants may also create or enhance habitats as part of the development to meet other obligations or policies (such as green infrastructure, protected sites and species mitigation and compensation, and sustainable drainage).

Some of this habitat creation or enhancement for other purposes may be able to count towards the biodiversity gain objective in part or in full. Applicants should adhere to the latest guidance on how to count other schemes towards BNG. If an applicant proposes to count other habitat creation or enhancement work towards BNG, they must include it in the metric calculation and the biodiversity gain plan.

Biodiversity enhancements in protected sites

Applicants may be able to enhance non-designated features of protected sites for the purpose of biodiversity net gain, providing that the proposals do not risk harming the designated features, designated species or supporting habitat. Landowners must get agreement, and where necessary, consent from the Natural England for any proposed biodiversity gains on protected sites before any works on the protected site begin.

For coastal protected sites that contain intertidal habitats, biodiversity units can be delivered on both designated and non-designated features of the site where such features are on or comprise intertidal habitats. The broad habitat types this applies to are Coastal lagoons, Coastal saltmarsh, Intertidal hard structures, Intertidal sediment, and Rocky shore. This is subject to agreement, and where necessary, consent from the relevant consenting organisation must be secured before works on the protected site can proceed. Consents are typically time limited and will require renewal for the duration of the BNG agreement.

Mitigation hierarchy

Biodiversity net gain should be applied in conjunction with the mitigation hierarchy.²⁰ Applicants should avoid significant harm to biodiversity resulting from the proposed development in the first instance. Where it is not possible to avoid significant harm to biodiversity, applicants should include appropriate mitigation measures to reduce the impact, and as a last resort, provide compensation for any harm to biodiversity. Applicants must include detail in their biodiversity gain plan on how their proposals follow the mitigation hierarchy.

When examining or determining whether an application meets the biodiversity gain objective, the Examining Authority and Secretary of State should consider whether the applicant has taken sufficient measures to deliver the biodiversity gain objective in conjunction with the mitigation hierarchy.

The location of biodiversity gains

Applicants should plan the delivery of biodiversity gain with regard to both the 'spatial hierarchy' preference for local enhancements, and strategic significance (defined by the relevant local nature recovery strategy (LNRS)²¹). These principles are incentivised through the biodiversity metric calculation, which places greater reward for habitat enhancement and creation where it is strategically important and local to the development impact site.

For intertidal development, applicants should consider strategic off-site BNG delivery in locations already identified as optimal for managed realignment, and other strategic intertidal habitat creation. For intertidal habitats an off-site location is 'local' to the development if it falls within the same Marine Plan Area.

Spatial hierarchy

Applicants should plan the delivery of biodiversity gain with regard to the 'spatial hierarchy' preference for the delivery of biodiversity enhancements close to where the losses of biodiversity occurred. The spatial risk multiplier within the statutory biodiversity metric incentivises this local delivery of off-site habitat based on local planning authority and

²⁰ The principle that environmental harm resulting from a development should first be avoided, adequately mitigated, or, as a last resort, compensated for. The mitigation hierarchy is set out the National Planning Policy Framework (NPPF) paragraph 193a. The NPPF may be considered as a matter that is both important and relevant to the Secretary of State's decision.

²¹ The Environment Act 2021 required the preparation of LNRS covering the whole of England. LNRS are locally-led, evidence-based, decision-making tools, which propose how and where to recover nature. The first cycle of LNRS are being published over the course of 2024 and 2025, and they must be reviewed and republished every 3 to 10 years.

National Character Area boundaries, Marine Plan Areas for intertidal habitats or waterbody and operational catchments for watercourse habitats.

Off-site habitat compensation located in any local planning authority, National Character Area, Marine Plan Area, waterbody catchment or operational catchment that the development spans does not incur a spatial risk multiplier penalty. Any neighbouring local planning authority, National Character Area, Marine Plan Area, waterbody catchment or operational catchment is considered a neighbouring site to the on-site habitat loss.

Strategic significance

Applicants should consider relevant LNRS when planning the delivery of biodiversity gains. LNRS will help to coordinate delivery of biodiversity gains in locations where they will have the greatest impact, including increased habitat connectivity and wider environmental benefits.²² Each LNRS local habitat map should include the most important locations and proposals for nature recovery ('mapped measures'). Applicants will receive a strategic significance uplift in post-development biodiversity value for carrying out these proposals.

Applicants should include detail in their biodiversity gain plan on the parcels which have been recorded with high strategic significance, and their location. They can draw on the information included in the strategies, to highlight how their planned gains will contribute to the area's priorities for biodiversity and the wider environment.

Evidence for submission

As part of the pre-application consultation, applicants should share the indicative biodiversity net gain requirement for the project (calculated using the statutory biodiversity metric) and their proposed plan to deliver the required gains with relevant consultees. Applicants are encouraged to engage with the Planning Inspectorate, the relevant local planning authority, Natural England, and where relevant the Environment Agency and Forestry Commission, as early as possible on their indicative biodiversity net gain requirement and proposed delivery of gains.

Applicants must submit a biodiversity gain plan and a completed statutory biodiversity metric calculation to the Planning Inspectorate as part of their development consent order application. Applicants must include the minimum information required for a biodiversity gain plan at the application stage, and should submit further relevant information if available to help demonstrate that the biodiversity gain objective will be met. Applicants

²² Before an LNRS is published, applicants should refer to the alternative document for assigning strategic significance, which the local planning authority must specify. This document could be one of a list of examples included in the biodiversity metric user guide.

may also need to submit updated biodiversity gain plans and completed statutory biodiversity metric calculations to the relevant local planning authority for approval after consent is granted. This subsequent approval process will be needed when there are details of the biodiversity gain plan that are not available until after consent (such as the allocation of off-site gains or proof of credit purchase) and if there are changes to the project design and biodiversity net gain calculations after consent.

Applicants should propose requirements in the draft development consent order to secure this post-consent approval process. Requirements should ensure that all or most of the biodiversity units required to meet the biodiversity gain objective are secured before development (or a phase of development) is commenced, and any final shortfall in biodiversity units are secured once the final impact on habitats is known, for example, before construction is completed or the development comes into operation.

Phased approach to BNG

If the proposed development will be delivered in phases and the detailed design of all phases are not known at the application stage, the applicant may submit biodiversity gain plans for approval on a phased approach. Applicants should discuss this approach with the Planning Inspectorate and the relevant local planning authority at the pre-application stage.

When a phased approach is taken, the applicant must still submit a biodiversity gain plan with the development consent order application. The biodiversity gain plan must set out how the biodiversity gain objective is expected to be met across the entire development, and how each phase is expected to contribute towards this. Applicants should propose requirements in the draft development consent order to ensure that a phase biodiversity gain plan is submitted to and approved by the relevant local planning authority prior to the commencement of development of each phase. The phase biodiversity gain plan must set out a phase's contribution to biodiversity net gain and confirm progress towards the overall biodiversity gain objective for the development.

Biodiversity gain plan information requirements

The biodiversity gain plan must provide the following information at the application stage:

- details of the person completing and submitting the plan, and the development to which the plan relates
- information about the steps taken or to be taken to minimise the adverse effect of the development on the biodiversity of the onsite habitat and any other habitat
- the pre-development biodiversity value of the onsite habitat
- the post-development biodiversity value of the onsite habitat
- the post-development biodiversity value of the onsite habitat for each phase of development (only if a phased approach to biodiversity net gain is taken)
- strategy to meet the biodiversity gain objective, including the proposed use of off-site gains and credits (if applicable). Include detail on the strategy for each phase of development (only if a phased approach to biodiversity net gain is

taken) the date used to calculate the pre-development biodiversity value of onsite habitats, and if proposing an earlier date, the reasons for proposing that date

- If activities have been carried out prior to the date of application that result in loss of on-site biodiversity value (i.e. degradation):
 - o a statement setting out that degradation activities have been carried out
 - confirmation of the date immediately before these activities were carried out
 - \circ $\,$ the pre-development biodiversity value of the onsite habitat on this date
 - the completed metric calculation tool showing the calculations
 - o any available supporting evidence of this
- the completed biodiversity metric calculation tool(s), stating the publication date of the tool(s), and showing the calculation of the pre-development on-site value on the relevant date, and post-development biodiversity value
- arrangements for maintenance and monitoring of significant on-site habitat enhancement (habitat management and monitoring plan, and details of how this these enhancements are secured)
- pre-development and post-development plans showing the location of onsite habitat (including any irreplaceable habitat) on the relevant date, and drawn to an identified scale and showing the direction of North
- a description of any irreplaceable habitat on the land to which the plan relates which exist on the relevant date, and where necessary, a compensation plan for any impacts of the development on the irreplaceable habitat

The following information should be included at the application stage where available, and if not, must be included in an updated biodiversity gain plan submitted to the relevant local planning authority for approval post-consent:

- off-site biodiversity gain allocated to the development (if applicable)
- biodiversity credits purchased for the development, and justification that credits are needed (if applicable)
- the completed biodiversity metric calculation tool(s), stating the publication date of the tool(s), and showing the calculation of the pre-development on-site value on the relevant date, and post-development biodiversity value, including any allocated off-site gains (if applicable)
- arrangements for maintenance and monitoring of significant off-site habitat enhancement (including a habitat management and monitoring plan, and details of how these enhancements are secured) (if applicable)

Decision making

The Secretary of State will not grant an application for development consent unless satisfied that the proposed development meets the biodiversity gain objective contained in a relevant separate biodiversity gain statement or relevant National Policy statement (where applicable) under Schedule 2A. The Secretary of State can consider the

biodiversity gain objective as met if there are requirements in the development consent order securing it will be.