



TerraQuest

Biodiversity Net Gain: The Story So Far

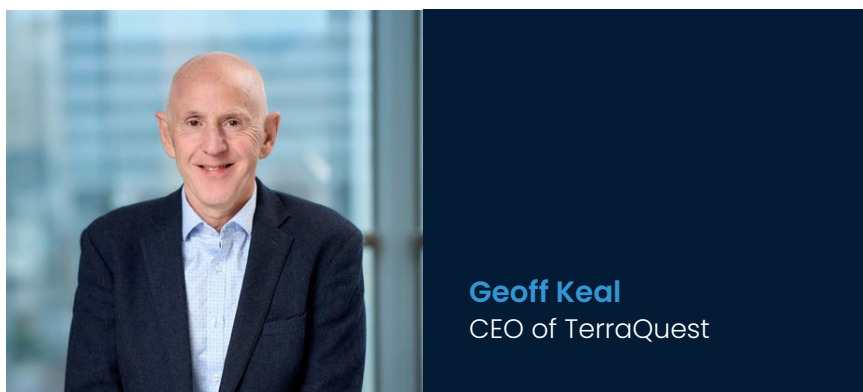
What does the latest Planning Portal data tell us about the policy's success to date and what changes are needed?

Foreword

Biodiversity net gain (BNG) is a radical policy that puts biodiversity at the heart of our planning system and, consequently, the built environment sector as a whole.

As we would expect from a genuinely novel policy development, there have undoubtedly been challenges in the implementation of BNG. There is, for example, an ongoing debate around exemptions from the BNG regime; I know that many of our stakeholders have strong views on this point. The data we are publishing will no doubt contribute to that discussion.

Our mission at Planning Portal has been to facilitate an easy transition to BNG within the process of making a planning application. We have updated our question set to aid clarity and to help ensure applicants are selecting the correct options. Whether or not the BNG regime is subject to any further changes in the coming months and years, our team will continue to refine the question sets and prompts on Planning Portal and provide clear guidance on our website.



Contents

- 4** What Is Biodiversity Net Gain?
- 8** I. Latest Planning Portal Data on BNG
- 13** II. The Big Picture
- 14** III. What Is Planning Portal Doing to Support?
- 16** IV. Wider Support



Introduction

What Is Biodiversity Net Gain?

The biodiversity net gain (BNG) policy was introduced as part of the 2021 Environment Act and requires developers to demonstrate how they plan to achieve a minimum 10% increase in biodiversity with all new developments in order to be granted planning permission.¹

In England, BNG is now mandatory under Schedule 7A of the Town and Country Planning Act 1990 (as inserted by Schedule 14 of the Environment Act 2021).²

As of 12 February 2024, the policy became a requirement for major developments, and likewise for small sites on 2 April 2024.

Who Is Affected by BNG?

The new rules impact on several groups of people, including:

- Developers of major developments
- Developers of small sites
- Land managers wanting to sell in the BNG market
- Local planning authorities (LPAs).

It is important to note that while no final decision has been made, the BNG requirement is expected to be extended to nationally significant infrastructure projects (NSIPs), as a consultation on the decision and timeline is expected from the government “very shortly”.³

¹ <https://www.gov.uk/guidance/understanding-biodiversity-net-gain>

² <https://www.legislation.gov.uk/ukpga/2021/30/schedule/14/enacted>

³ <https://www.planningresource.co.uk/article/1895364/minister-confirms-consultation-applying-bng-nsips-very-shortly#:~:text=A%20minister%20has%20said%20the,to%20the%20regime%20on%20uptake>

Ways to Achieve BNG

To calculate the number of biodiversity units for existing habitats, or habitat enhancements to achieve BNG, developers must use the statutory biodiversity metric tool.⁴

There are three ways a developer can achieve BNG:

1 Create biodiversity on site (within the red-line boundary of a development site).

2 If developers cannot fully discharge the obligation for on-site BNG, they can deliver through a mixture of on-site and off-site, or wholly off-site. Developers can either make off-site biodiversity gains on their own land outside the development site or buy off-site biodiversity units on the market.

3 If developers cannot achieve on-site or off-site BNG, they must buy statutory biodiversity credits from the government. This should be a last resort and the government must use the revenue to invest in habitat creation in England.

Developers can combine all three of these options, but they must follow the steps in order of the biodiversity gain hierarchy.⁵

⁴ <https://www.gov.uk/government/publications/statutory-biodiversity-metric-tools-and-guides>

⁵ <https://www.gov.uk/guidance/biodiversity-net-gain>

Where BNG does not apply

As is common with regulations, there are instances where exemptions may apply or developments may not be in scope.⁶ For BNG, this includes:



Retrospective planning permissions made under section 73A and section 73 permissions, where the original permission that the section 73 relates to was either granted before 12 February 2024 or the application for the original permission was made before 12 February 2024



De minimis exemption – developments that do not impact on a priority habitat and impact on less than 25 sq metres of on-site habitat or five metres of linear habitats such as hedgerows



Urgent Crown development granted permission under section 293A of the Town and Country Planning Act 1990



Developments granted planning permission by a development order under section 59



Self-build and custom-build developments



High-speed railway transport network



Biodiversity gain site



Householder developments

While these exemptions serve a necessary purpose, the latest data from Planning Portal, powered by TerraQuest, shows a select few exemptions account for a high level of developments not being required to deliver net gains.





I. Latest Planning Portal Data on BNG

Planning Portal has been collecting data since the BNG regulations were introduced in February 2024. So far, the results show a high percentage of applicants selecting 'no' when asked if BNG applies to their site.

! It is important to note that the data collected by Planning Portal excludes householder applications, which are exempt and use a different application process.

Month on month,
more than
75%
of Planning Portal applicants
said BNG did not apply to them.

The data shows the three most common reasons selected for exemption from BNG (among non-householder applications) are 'de minimis', 'self-build and custom development' and 'retrospective planning permission'. As shown in Figure 1, the number of applicants selecting 'de minimis' as a reason for exemption increased dramatically month on month until July 2024, reaching a high of 76% of total non-householder exemptions between August and September 2024. From September to December 2024, this figure remained at above 75%.

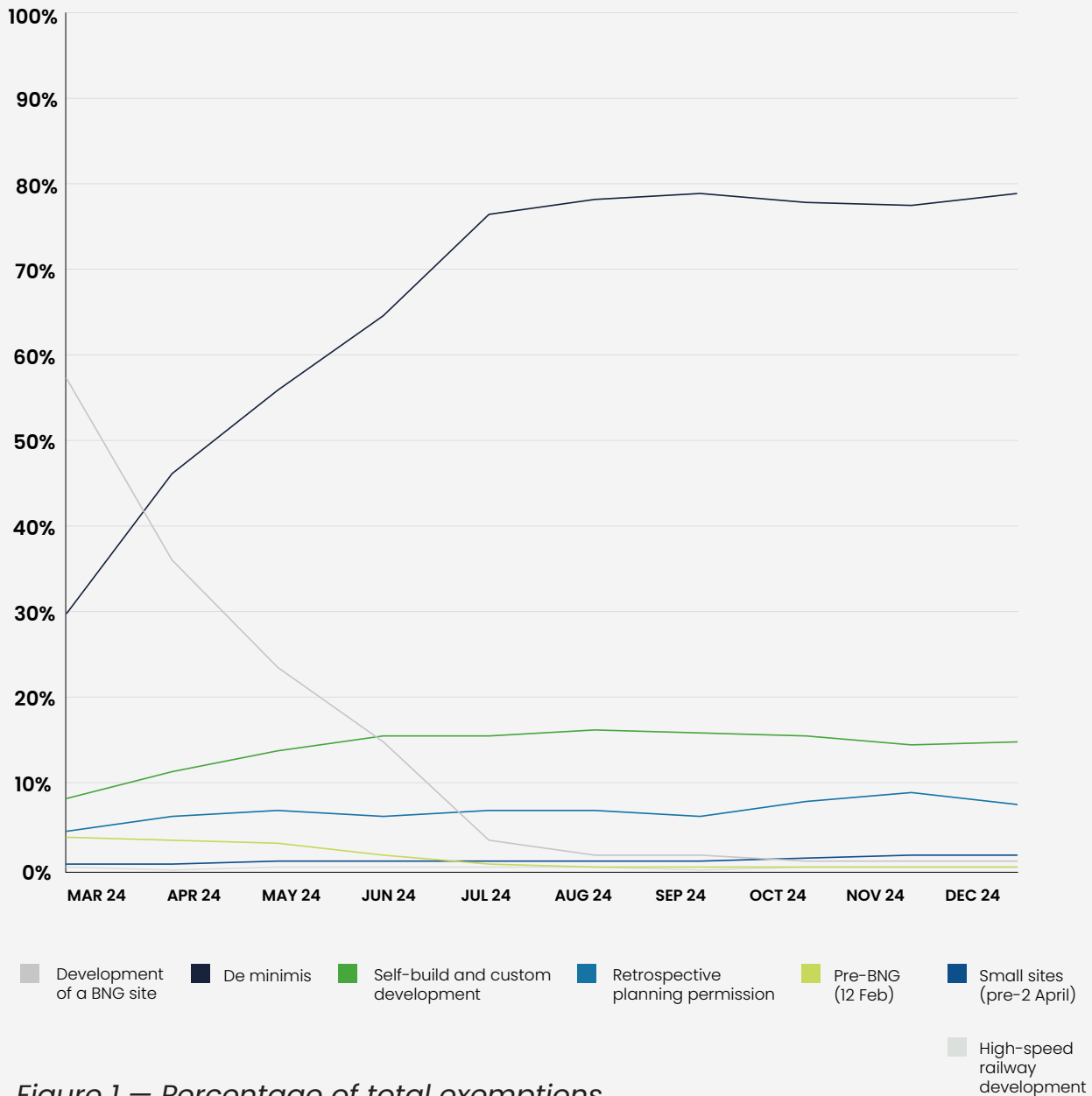
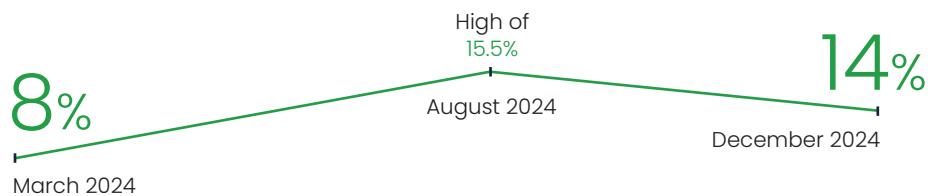


Figure 1 – Percentage of total exemptions

↑ On average, the number of applicants selecting **'retrospective planning permission'** as a reason for exemption **increased**, reaching a high of 8.5% in November 2024.

↑ The number of those who chose **'self-build and custom development'** **increased**.



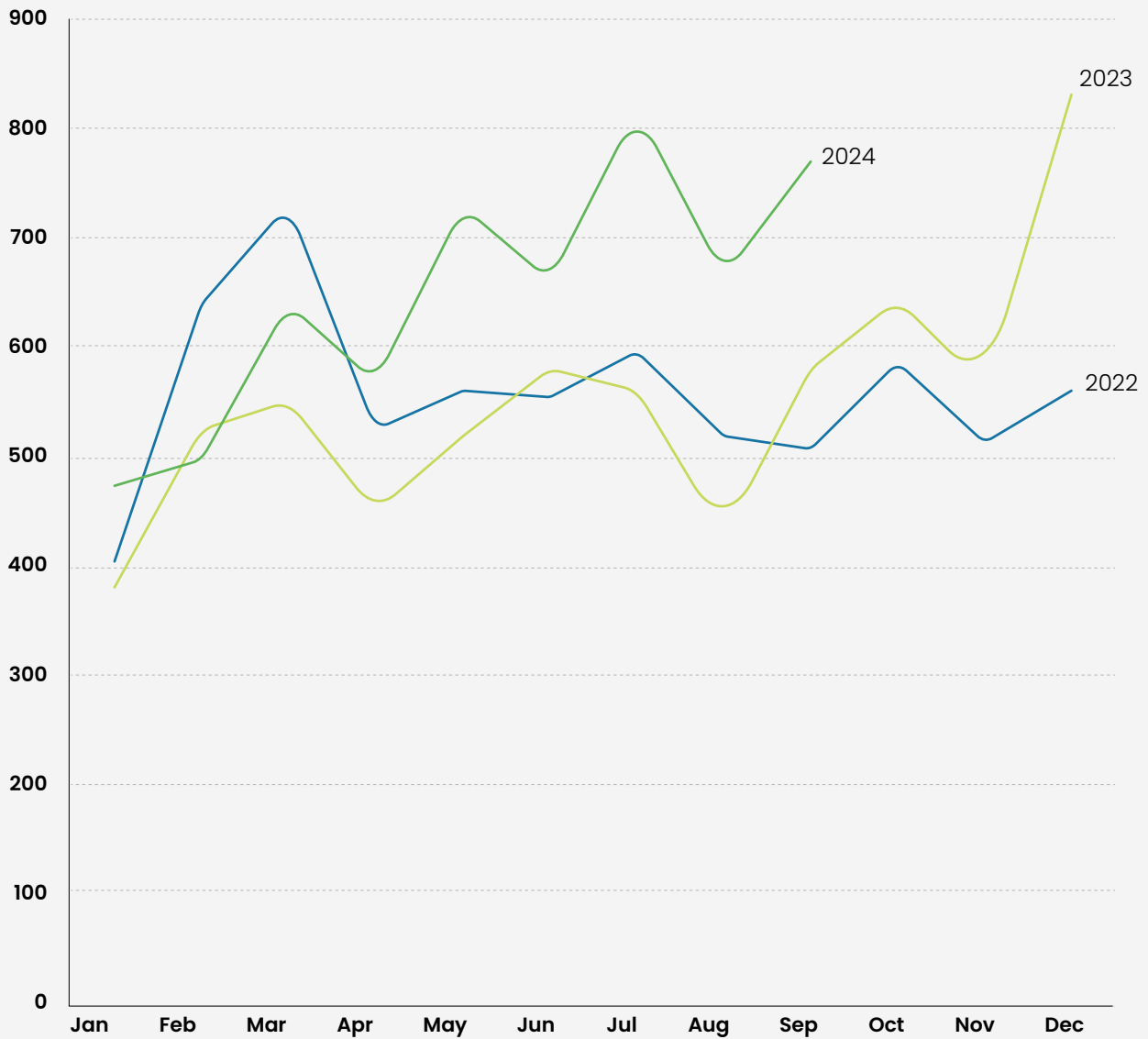


Figure 2 – Self and custom-build units (non-GLA)

↑ The number of **self and custom-build units applied for** has **increased**, with the trend beginning in **April 2024**, coinciding with the removal of the small-sites exemption.

On average, up to September 2024, we saw **89** more self-build units applied for per month compared with 2022 and 2023.

Generally, we'd expect the **number of exemptions applied for** to be less than the total number of units. Even if we assume that each exemption corresponds to only one self-build unit, there were still

1,891 more exemptions than units being applied for between March and September.

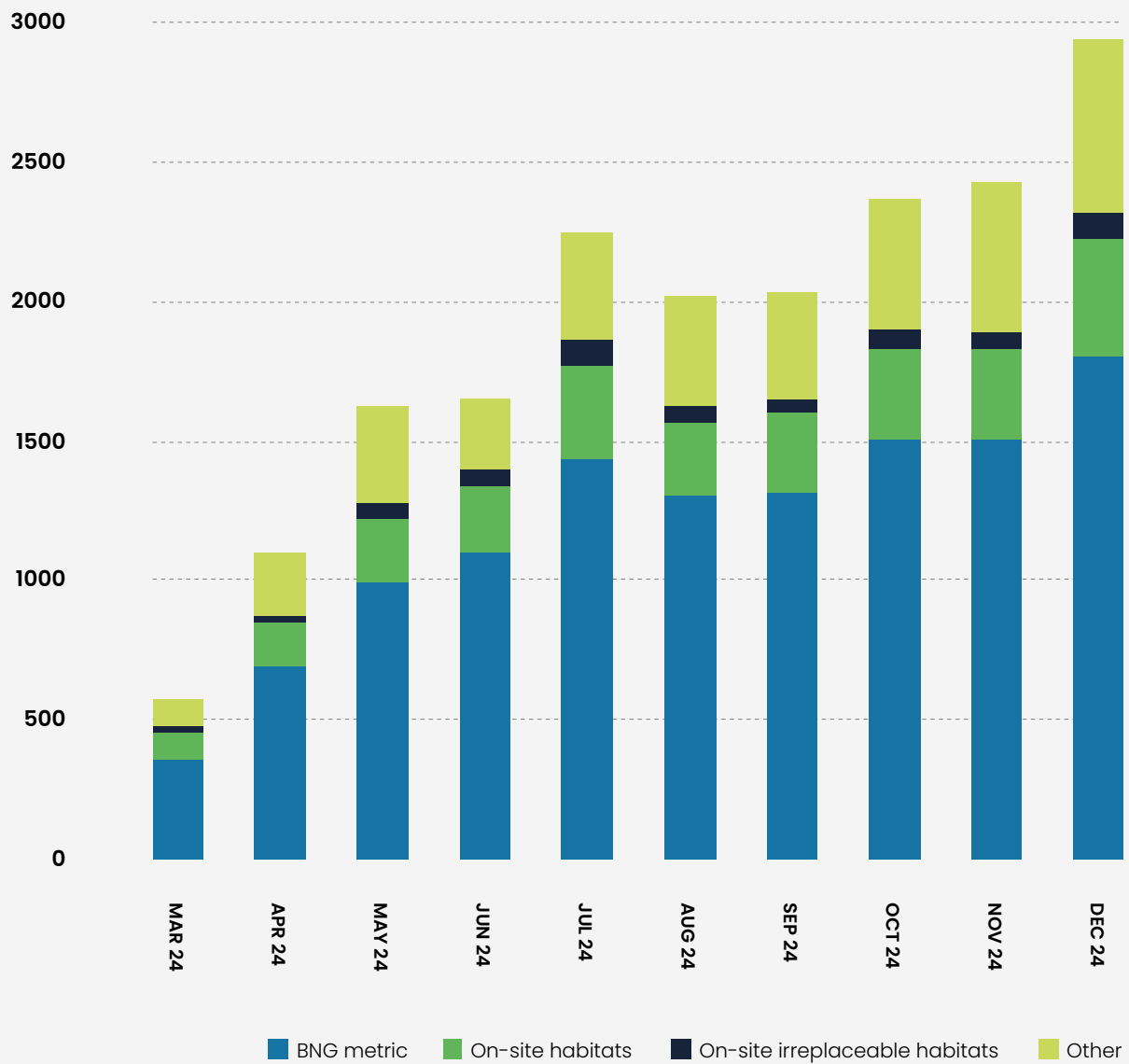


Figure 3 – Documents supplied alongside applications

When an application is made through Planning Portal, applicants must also supply supporting documents.⁷ If this information has not been provided, the local planning authority will likely refuse the application.



While there was only a small number of **supporting documents supplied to Planning Portal** when BNG was introduced at the start of 2024, Figure 3 shows this number is slowly **increasing** on average each month.

⁷ <https://www.gov.uk/government/publications/statutory-biodiversity-metric-tools-and-guides>

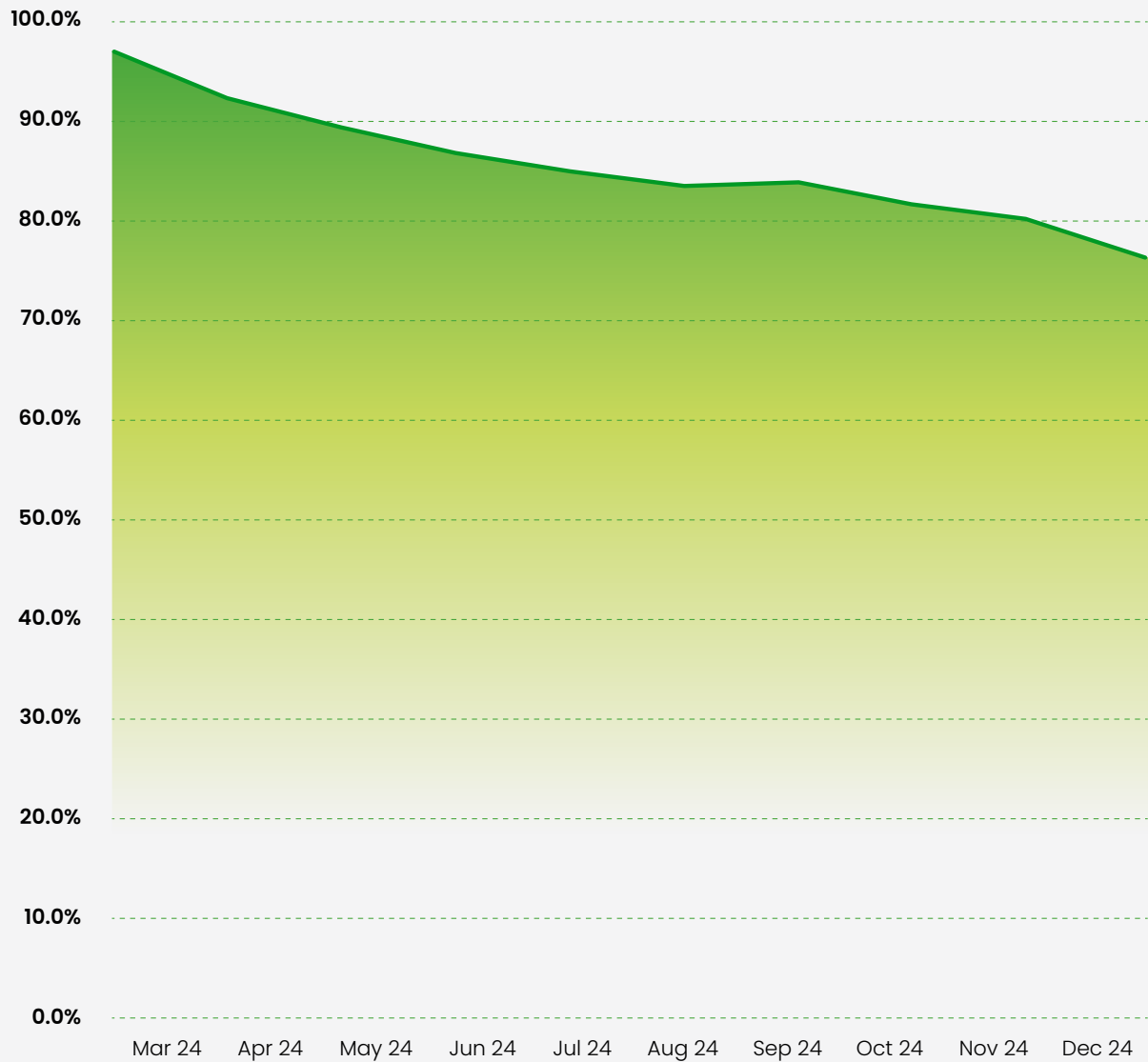


Figure 4 - Percentage of applications exempt



There is also evidence that **Planning Portal's improved guidance**⁸ around the most used exemptions is helping to **lower the number of exempt applications each month**, as shown in Figure 4. This comes as Planning Portal joined other key biodiversity net gain organisations in asking the government to review the de minimis and self-build and custom-build exemptions⁹ for the policy "to have a meaningful impact on nature recovery".¹⁰

Planning Portal has also updated the application service to ask additional questions around self-build and de minimis exemption to help ensure users select the correct exemption. As part of this ongoing process, Planning Portal is continuing to collect information on BNG to better understand the policy's uptake and exemption in order to facilitate correct usage.

8 <https://www.planningportal.co.uk/planning/sustainability-and-planning/biodiversity-net-gain/what-is-biodiversity-net-gain>

9 <https://www.terraquest.co.uk/news-and-insights/bng-exemption-review>

10 <https://www.terraquest.co.uk/news-and-insights/bng-exemption-review>



ii.

The Big Picture

The implementation of BNG is set against several other key focuses and initiatives laid out by the UK government that aim to improve the built environment.

At the centre of the government's pledge to accelerate construction is reform of the National Planning Policy Framework (NPPF)¹¹ to unlock and accelerate the building of both new homes and infrastructure projects. The addition of 300 planning officers in England has also been pledged to unblock the planning queue for new projects.¹²

BNG is an ambitious initiative aimed at tackling the environmental challenges linked to construction. However, delays and non-compliance risk hindering progress and slowing development, straying the policy and project applications further away from the government's broader goals.

¹¹ <https://www.gov.uk/government/consultations/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system>

¹² <https://www.ciob.org/blog/the-new-uk-government%E2%80%99s-plans-for-the-built-environment>



III.

What Is Planning Portal Doing to Support?

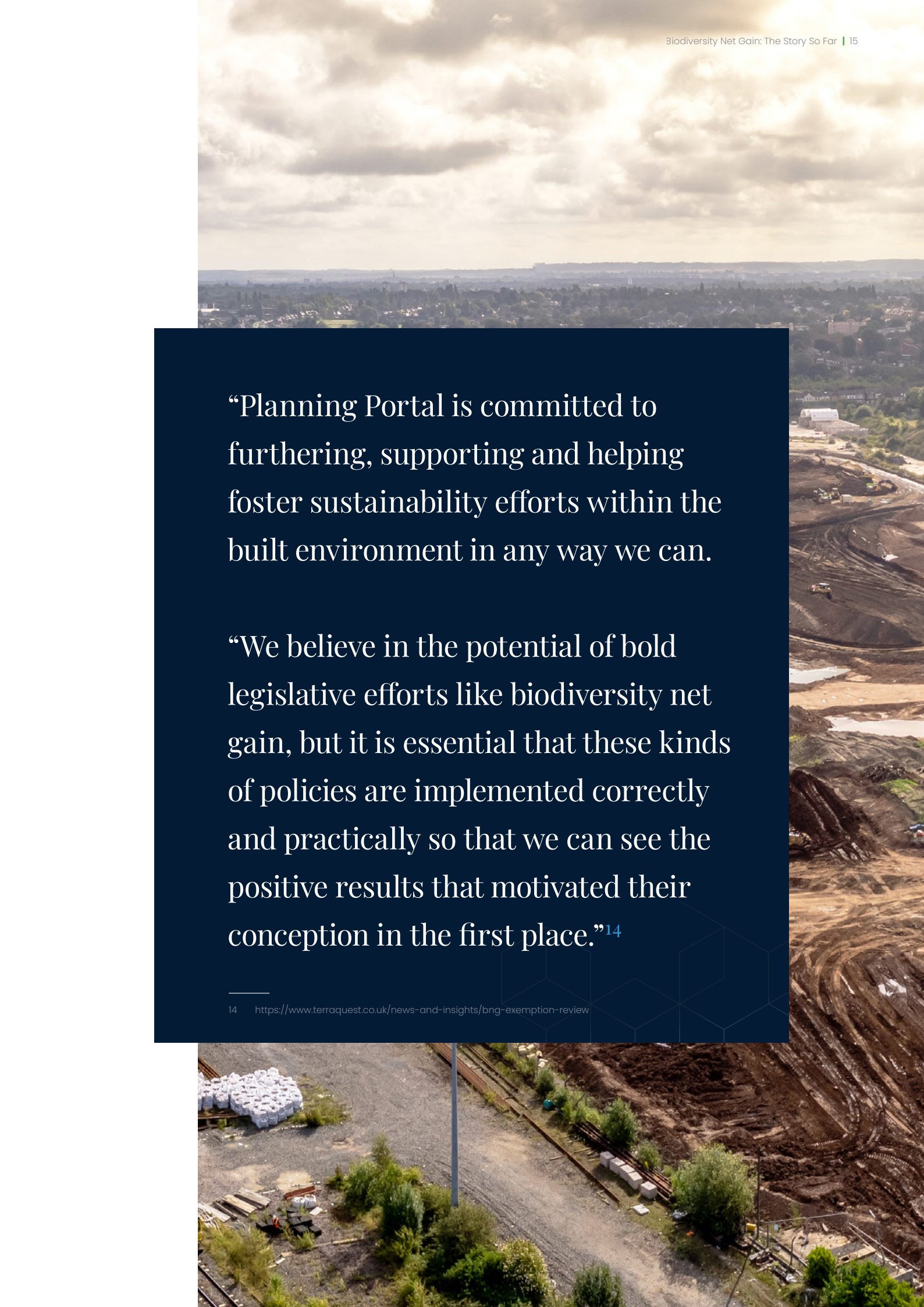
At its core, the aim of BNG requirements is to ensure permission is granted only when projects can be shown to make a positive impact on biodiversity, marking a significant step for the UK's national conservation and sustainability efforts.

But presently, the planning system is falling short of harnessing the potential of BNG, as the National Audit Office pointed out in its recent report.¹³

Planning Portal is committed to further supporting sustainability efforts within the built environment, which is why policies like these are essential. But it is critical they are implemented correctly and practically.

As a result of a roundtable including key coalition representatives from organisations such as Architects Climate Action Network, Hampshire & Isle of Wight Wildlife Trust, Joe's Blooms and Environment Bank – alongside Planning Portal – a review of the de minimis and self-build and custom-build exemptions has been requested of the government.

¹³ <https://www.nao.org.uk/reports/implementing-statutory-biodiversity-net-gain/>

An aerial photograph showing a cityscape in the distance under a cloudy sky. In the foreground, a large construction site is visible, featuring a large area of excavated earth with tracks from heavy machinery. The site is partially enclosed by a fence, and there are some structures and materials scattered around.

“Planning Portal is committed to furthering, supporting and helping foster sustainability efforts within the built environment in any way we can.

“We believe in the potential of bold legislative efforts like biodiversity net gain, but it is essential that these kinds of policies are implemented correctly and practically so that we can see the positive results that motivated their conception in the first place.”¹⁴

¹⁴ <https://www.terraquest.co.uk/news-and-insights/bng-exemption-review>

IV. Wider Support

Planning Portal wants to support SMEs and the wider industry to make sure the regulations work for them and can be implemented accurately. A range of resources have been produced aimed at helping applicants understand BNG and their obligations,¹⁵ including calculating resources from Joe's Blooms¹⁶ and Environment Bank's offset unit schemes.¹⁷

Insights from expert voices on BNG



Angus Walker
Partner at Broadfield UK

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“This report provides an excellent and unique analysis of how the BNG regime is operating using comprehensive actual data and is to be welcomed given the lack of information available elsewhere. In my view, the only exemption that should be removed is for retrospective permissions where habitat harm occurred after BNG came into force. Having said that, the exemptions should be properly applied and it appears from this data that they may not be being applied consistently.”

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¹⁵ <https://www.planningportal.co.uk/planning/sustainability-and-planning/biodiversity-net-gain/what-is-biodiversity-net-gain>

¹⁶ <https://www.planningportal.co.uk/permission/commercial-developments/biodiversity-gain-tool>

¹⁷ <https://www.planningportal.co.uk/permission/commercial-developments/biodiversity-net-gain-units>

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“The implementation of BNG regulations has been quite the culture shock for small and medium-sized sites in particular, which previously were exempt from the biodiversity legislation governing larger sites. For these smaller sites, we shouldn't be seeing applications bounced back and forth internally between ecologists. It should be a sensible, relatively rapid turnaround using proportionality to determine the extent to which checks need to be done. At the same time, however, we are also seeing issues where applications are being approved when they shouldn't be. For example, where de minimis is selected as an exemption, more evidence may be needed to show that the threshold has been met but, in some instances, this isn't the case.

“Digital tools like Joe's Blooms' have been set up to help guide small sites through the BNG application process, and we are now seeing great rates of success for sites where applicants follow the process properly and lean on the digital resources available to them. There is a whole market of digital tools available to small and medium-sized businesses that may be apprehensive about meeting BNG regulations. These have been designed to demystify regulations and guidance and should be leaned on more widely by the industry to further build on the success of BNG so far.”

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Oliver Lewis
CEO of Joe's Blooms

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“We, like other stakeholders in the infrastructure and planning industry, have called for the removal of these exemptions so the policy can work as it was intended. The exemptions at present mean the full potential of BNG cannot be reached. We understand that the regulations are a lot for organisations to comprehend – even large commercial developers that have their own ecologists or consultants, let alone smaller and medium-sized developers. But the exemptions were not designed as an alternative way out of the scheme for those applicants who are struggling to make sense of them. Instead, organisations like Environment Bank can continue to offer guidance and support to realise the benefits of BNG.

“Despite a fairly slow start, which can be expected of any new government policy, the BNG market is buoyant and we at Environment Bank are seeing a lot of demand for these units. It will take time for the policy to embed itself into the market and for both SME and large commercial developers to get to grips with exactly what it means for their business. But a key step in making sure the policy works and captures everything it was designed to do for the benefit of nature restoration and sustainable development in England is the removal of the exemptions.”

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Luke Bigwood
Chief Marketing Officer
of Environment Bank



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“Small-to-medium sites which are making a BNG application for the first time can learn from larger developers that are already familiar with the regulations. Information sharing and collaboration will be key in navigating BNG at this early stage and, by providing clarification on what these exemptions mean, Planning Portal has already positioned itself as one of the many helpful resources for SMEs getting to grips with this new regulation.

“I think overall the policy is working, but inevitably there will be opportunities to fine-tune the legislation both now and in the future. There will, of course, be instances where applicants get it wrong, but there will also be plenty of success stories first time around and having this early data out in the world will be a vital part of the tweaking process moving forward.”

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An aerial photograph of a residential development, showing a cluster of houses with grey roofs and green lawns, surrounded by trees. A blue callout box is overlaid on the bottom right of the image.

Nicholas White

Principal Adviser for Net
Gain at Natural England

For more guidance,
please visit Planning Portal's website.



<https://www.planningportal.co.uk/planning/sustainability-and-planning/biodiversity-net-gain/what-is-biodiversity-net-gain>



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