

Biodiversity Net Gain and how to deliver nature positive growth

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This briefing is on behalf of nature and animal welfare coalition Wildlife and Countryside Link ([Link](#)); exploring the successes, and lessons learned from the policy of Biodiversity Net Gain (BNG) for the Government's vision for new development driving forward nature-positive growth.

Executive summary

A year after Biodiversity Net Gain (BNG) came into force for small sites, it remains an important policy for achieving the Government's twin goals of nature recovery and economic growth.

BNG has genuine potential to transform how development impacts nature, and its early successes - a budding market for nature enhancement and linking the delivery of tangible habitat improvements to new development - have demonstrated its promise. To ensure it delivers its full potential, further improvements can be made. We recommend:

- increasing local ambition, which remains too low to meet nature-restoration needs
- ensure comprehensive application of BNG closing existing loopholes, which allow many developments to sidestep BNG and expanding BNG to NSIPs and marine net gain; and:
- strengthening monitoring and enforcement mechanisms, especially by investing in Local Authority and regulators' capacity to ensure that promised gains are delivered and maintained.

Crucially, BNG offers vital lessons for the Government's ongoing reforms to the planning system to encourage new development, whilst also meeting legal and international obligations to protect and restore nature. It is essential that any changes to the system for environmental mitigation complement, rather than detract from, the vital and traceable habitat enhancements delivered through BNG, as well as supporting critical private investment in nature recovery.

The principle of going beyond offsetting to achieve Biodiversity Net Gain (BNG) is a positive approach to ensure new development leaves the natural environment in a measurably better state. Under the Environment Act 2021, BNG is now mandatory in England.

As highlighted by the State of Nature report, direct pressure from new development and associated land-use change can have a significant potential impact on nature, from associated habitat loss and fragmentation.¹ In the three years from 2019-20 to 2021-22, around 48,500 hectares of non-

¹ stateofnature.org.uk/wp-content/uploads/2023/09/TP26054-SoN-England-summary-report-v6.pdf

developed land was developed - roughly **2.9 times the size of London**; with 11,400 hectares changing to residential use from non-developed uses.² The requirement for developments to deliver Biodiversity Net Gain helps mitigate directly against any negative impact from these significant, ongoing land-use changes and reduces the potential for overall habitat loss.

All new development under the Town and Country Planning Act, bar a few exemptions, must compensate for any habitat it impacts, and add at least 10% to the baseline habitat “score”. Significant new habitats must be secured for at least 30 years and, where possible, created on-site. If this is not feasible, developers can purchase off-site units, or as a last resort, statutory biodiversity credits for habitat creation elsewhere.

The policy first started under Gordon Brown with the Lawton Review making a series of recommendations that led directly to the policy being developed. BNG was then progressed under the Coalition Government before becoming law in the Environment Act 2021 and coming into force in 2024.

The policy remains popular with the public in principle, though legitimate concerns remain about implementation of the policy, especially with regard to monitoring and enforcement of gains. Polling in October 2023 highlighted 68% of respondents supported the policy.³ As public concern about the environmental impact of new developments remains a constant issue, the policy has a vital role to play in ensuring that communities can trust new development will tangibly improve the state of nature. As the new Government has made economic growth through planning reform a central priority, the role of BNG as a model for sustainable growth is more important than ever. After one year in action, its successes and principles offer a critical lesson for the Government’s policy approach to growth, and, crucially, how nature recovery and new development can go hand-in-hand.

² [Land use change statistics – hectareage 2019-20 to 2021-22 factsheet](#)

³ [Survey: More than 60% of public support BNG rules | The Planner](#)

Strengthening BNG

As highlighted in recent Link reports [Fixing BNG](#) and [Implementation of mandatory Biodiversity Net Gain – one year on](#), the policy has not been without issues since implementation. Although significant, these issues are not insurmountable. Effective, actionable solutions exist that would allow the Government to ensure the policy can deliver its maximum potential.

Under-delivery

As of February 2025, only 1219.78 ha of land has been secured as habitat banks to deliver off-site net gain. So far, 680.17 ha of habitat has been registered from a total of 16 authorities, and a further 786.26ha of off-site habitat has been proposed by 6 councils.

This is just a fraction (less than 13%) of the 5,428 ha of habitat Defra originally estimated was likely to be generated annually by BNG.

Local Authorities reported 93 ha of on-site BNG habitat in an FOI from Link at the end of 2024. This is likely to be underreporting, which itself highlights the problem of the lack of official monitoring for on-site gains by government. This underreporting indicates Local Authorities are not collating on-site data and represents a major monitoring gap, which makes it impossible to fully assess how well the scheme is performing against expectations.

The absence of oversight and the resulting failure to implement on-site BNG poses a significant risk to its successful delivery. Although not specific to BNG, a recent survey of 42 housing estates across England found that only 53% of planned ecological enhancements, such as trees, bird boxes, ponds, and hedgerows, had been implemented – illustrating the risks of non-compliance and low post-construction delivery.⁴ This mirrors research that estimates approximately 27% of all biodiversity units fall into ‘governance gaps’ that expose them to a high risk of noncompliance, because they are associated with better-condition habitats delivered on-site that are unlikely to be monitored or enforced.⁵

Increasing ambition to address the under delivery of Biodiversity Net Gain (BNG) would contribute to achieving the goals of the Environmental Improvement Plan (EIP) and closing the nature recovery finance gap. The Green Finance Institute’s *The Finance Gap for UK Nature* report estimates that between **£44 billion and £97 billion** will be required over the next decade to meet nature-related outcomes, with a central estimate of **£56 billion**.⁶ England bears the largest share of this shortfall, particularly in biodiversity restoration and climate mitigation. While BNG has the potential to play a significant role in addressing this gap, its impact is currently limited by these delivery challenges.

⁴ [Lost Nature - housing developers fail to deliver their ecological commitments. - Wild Justice](#)

⁵ [The Society for Conservation Biology](#)

⁶ [The-Finance-Gap-for-UK-Nature-13102021.pdf](#)

Strengthening BNG requirements—by improving monitoring capacity and enforcing more ambitious gain targets—could drive greater private investment in nature recovery, helping to close the finance gap while ensuring more consistent and meaningful delivery of biodiversity enhancements. A more robust BNG framework would also help ensure that new development contributes effectively to the goals of the refreshed EIP, supporting our statutory nature recovery targets, and strengthening long-term biodiversity restoration efforts across the country.

Misuse of the exemptions

Connected to the issue of under-delivery has been concerns around the misuse of exemptions. Despite assertions that BNG should apply to “most” planning applications⁷, month on month, more than 75% of Planning Portal applicants said BNG did not apply to them, a figure which also excludes householder applications.⁸ The data shows the three most common exemption claims are ‘de minimis’, ‘self-build and custom development’ and ‘retrospective planning permission’, with de minimis consistently accounting for over three-quarters of the exemptions claimed. This trend has been mirrored elsewhere, with a study by Knight Frank of 1,300 planning applications across 29 local planning authorities finding that only 245 applications (19%) triggered a BNG assessment and only 97 applications (7%) identified a need for BNG.⁹

The risk of exemption misuse has been raised consistently by groups across the sector. In line with the data outlined, a coalition of organisations alongside Planning Portal – has requested a review of the de minimis and self-build and custom-build exemptions.

A lack of support for local ambition

10% net gain represents the bare minimum for BNG to deliver nature recovery. The original 2018 impact assessment described 10% as the ‘lowest level of net gain that the department could confidently expect to deliver genuine net gain, or at least no net loss, of biodiversity and thereby meet its policy objectives.’ Local planning authorities can use their own BNG planning policies to require a higher minimum percentage of net gain above the national 10%. However, BNG Planning Practice Guidance, issued by the previous Government, included wording aimed at discouraging further ambition.¹⁰

Currently, only four local authorities (Guildford Borough Council, Maidstone Borough Council, Mole Valley Council and Worthing Borough Council) have adopted policies that require more than the minimum mandatory 10% net gain. 30 local authorities have upcoming policies which, if adopted, will require more than the minimum mandatory 10% net gain.

⁷ [Written questions and answers - Written questions, answers and statements - UK Parliament](#)

⁸ [Biodiversity Net Gain: The Story So Far](#)

⁹ [Is the biodiversity market a silver bullet for landowners?](#)

¹⁰ <https://www.gov.uk/guidance/biodiversity-net-gain>

Local resourcing for BNG enforcement also remains a significant challenge. Many LPAs are facing a critical shortage of in-house ecologists or those with ecological expertise, along with other functions related to BNG – for example, legal teams, planning inspectors, and financial planners.¹¹ The National Audit Office (NAO), in its 2023 report on BNG, likewise identified compliance and enforcement as key risks to the long-term success of statutory BNG.¹²

Simple solutions

Although these challenges are notable, there are simple solutions that would enable the policy to achieve its full potential.¹³ The Government should

Under-delivery:

- Reassess the 10% gain requirement and update the BNG Planning Practice Guidance to encourage rather than dissuade local authorities to go beyond the 10% minimum. If 10% is not environmentally sufficient for the scale of nature recovery required, the minimum gain requirement should be increased. This assessment should be undertaken with an objective assessment of how much of the Environmental Improvement Plan objectives the net gain policy is required to deliver to meet Environment Act targets.
- Reverse the decision of the previous Government to allow the selling of excess on-site units to another development.
- Use the review mechanism in the Biodiversity Gain Requirements (Exemptions) Regulations 2024 to tighten up the de minimis exemption and remove the self and custom build exemption.
- The Biodiversity Net Gain statement to be incorporated into the National Policy Statements must be consulted on then published. Given the significant scale and duration of NSIPs, the ambition for biodiversity net gain should be at least 20%.
- Marine Net Gain should also be implemented by the end of 2025 to ensure offshore energy infrastructure and other marine developments contribute to nature recovery.
- Introduce a nature conservation project exemption, so that projects with a clear objective for environmental recovery that may not be focused on habitat restoration but nevertheless require planning permission - such as some water quality or species recovery projects - can proceed.

Ambition and enforcement:

- Require authorities to register significant on-site net gain in a collective and publicly accessible register, akin to the existing off-site register.

¹¹ [ROADMAP](#)

¹² <https://www.nao.org.uk/wp-content/uploads/2024/05/implementing-statutory-biodiversity-net-gain.pdf>

¹³ [Fixing Biodiversity Net Gain September 24.pdf](#)

- Amend the Enforcement and Post-Permission matters guidance to require enforcement action to be taken when BNG requirements are not complied with. Currently, arrangements are left up to local authorities to include in Planning Enforcement Plans with little national steer.
- Ensure sufficient monitoring and enforcement of on-site and off-site biodiversity unit delivery by ensuring local planning authorities have the resources to conduct monitoring and enforcement and by clarifying enforcement guidance for local planning authorities to make clear not delivering BNG constitutes an enforceable matter. We estimate that £43 million per annum will be required to build Local Planning Authorities' capacity to deliver Biodiversity Net Gain, including through enabling access to digital tools, sufficient training and recruitment.¹⁴ It is recommended that each LPA have at least one dedicated ecologist, larger authorities or those experiencing high development pressures may require teams of 3–5 specialists to manage the increased workload effectively.¹⁵ With 39% of LPAs lacking in-house ecological expertise, and often having to rely on expensive consultants, the £16.7 million allocated for BNG implementation remains insufficient.¹⁶
- Ensure the right digital infrastructure is in place to ensure the BNG system is user-friendly and can function effectively. This includes support to access the right digital tools for LPAs and SMEs to ensure an efficient user experience and effective operation.
- Consult as soon as possible on expanding the list of irreplaceable habitats in the National Planning Policy Framework (NPPF), to ensure that all such habitats are not included within BNG calculations to protect them from harm by development and publish guidance on bespoke compensation for these irreplaceable habitats.

Enacting these solutions would enable the new Government to improve and hone the policy of BNG - correcting flaws and turbocharging its potential to drive mutual progress towards its nature, growth and new development goals. As the Government continues to prioritise housebuilding and accelerate new development, BNG has never had a more essential role in ensuring developers directly contribute to reversing nature's decline in the UK, and, crucially, begin to enhance it.

Lessons for the Future

Biodiversity Net Gain offers a critical example of how new development could contribute positively towards habitat restoration and nature recovery. The Government has made it a central policy tool for addressing the direct habitat impacts of new development and ensuring that future development plans do not come at the expense of the environment.

¹⁴ [Link BNG consultation response - FINAL 05.04.2022.pdf](#)

¹⁵ [ALGE-ADEPT Report on LPAs and BNG.pdf](#)

¹⁶ [LPA-Survey-Full-Report-Aug-23-2021-FINAL.pdf](#) ; [New developments to deliver for people and nature - GOV.UK](#)

As part of its plans to reform the English planning system, the Government has proposed a new **'Nature Restoration Levy'** to streamline developer delivery of legal requirements in relation to specific environmental issues.¹⁷ This is distinct from BNG and should remain separate. BNG aims to more than compensate for habitat harm from development under the Town and Country Planning Act. The Nature Restoration Levy is intended to help developers discharge their legal responsibilities for protected wildlife sites and species under the Habitats Regulations and the Wildlife and Countryside Act. There are parallels, but the two are and should remain distinct.

Instead of assessing and addressing individual impacts related to a particular environmental issue - and securing mitigation measures project-by-project - developers would pay into a single, pooled mitigation fund, to be guided by an area-based Delivery Plan. These Delivery Plans, and the associated delivery bodies, would direct a strategic approach to mitigation for the key environmental issues and priorities identified at the appropriate scale. The issues to be encompassed would be expanded gradually, with the current examples proposed including nitrates, and designated habitats.¹⁸

If done well, the Nature Restoration Levy could support a valuable strategic level approach to legally-required environmental mitigation across some key issues. However, since it concerns fundamental legal protections for the UK's most vulnerable sites and species, done badly, the Nature Restoration Levy could be extremely damaging to nature. As the Government explores other avenues for environmental compensation and mitigation approaches, learning lessons from the implementation of biodiversity net gain will help to steer a positive course.

Transparency and traceability

Unlike other approaches, BNG establishes a directly traceable, and quantifiable contribution from a specific development to nature restoration. The initial habitat baseline value is used to calculate the habitat enhancement needed via the metric. This link ensures that each development is required to deliver tangible and traceable habitat enhancements, relative to their impact, rather than paying into an abstract fund. Future mechanisms must be highly cognisant of the risk of "leakage", namely, where the volume of new development risks outstripping available compensation and mitigation.

Based on the importance of transparency and traceability, as illustrated by BNG, it is vital future initiatives maintain a clear link to site assessment. By maintaining site assessments and publishing related information clearly and transparently, whilst also ensuring they are subsequently embedded as part of delivery, there will be suitable information about which projects are causing how much impact at which sites. This will then enable delivery mechanisms to deliver suitable mitigation or compensation at the strategic level.

Growing private investment in nature recovery

¹⁷ [Planning Reform Working Paper: Development and Nature Recovery - GOV.UK](#)

¹⁸ [Planning Reform Working Paper: Development and Nature Recovery - GOV.UK](#)

The introduction of BNG has led to a growing market in biodiversity enhancement, creating new jobs, markets and businesses that benefit nature. It is estimated that, if correctly implemented, the Biodiversity Net gain market could be worth £200m annually and create a potential £1 billion pot for nature restoration by 2030.¹⁹ This is a significant step forward in closing the biodiversity funding gap, creating new employment and growth opportunities in the process. Initial estimates suggested that the broader benefits of Biodiversity Net Gain, including enhanced pollination, flood control, and carbon sequestration, **could be worth around £9.6 billion.**²⁰ Ambition and additionality are key to delivering well-designed developments with onsite green infrastructure, and the comprehensive application of BNG to NSIPs is essential to secure greater investment in offsite habitats.

In contrast to government-led, primarily taxpayer funded approaches, BNG is funded entirely by the market. As a focal point for investment, it has, and continues to enjoy, strong support from businesses, professional bodies, and developers across the sector.²¹ If honed and supported properly, BNG has the potential to channel even more private sector capital into nature restoration.

If the Government wishes to achieve its aims for encouraging even more private investment at scale in nature recovery, any changes to the processes for environmental mitigation must safeguard existing high-integrity private investment and encourage further investment in nature markets. Market certainty for investors and businesses is crucial, and further investment will only be encouraged there is sufficient reassurance that the policy context for investment in nature recovery mechanisms is both stable and reliable.

Monitoring, reporting and enforcement

Monitoring and reporting, both through baseline assessment and post-project stages, are crucial components of the success of Biodiversity Net Gain (BNG) policy, and for ensuring the success of more strategic environmental mitigation schemes. Biodiversity Net Gain improvements, particularly onsite, have been difficult for people to see and interrogate, with implications for public trust in the policy.

By systematically tracking biodiversity outcomes before and after interventions, BNG should allow for an assessment of whether planned conservation efforts are truly delivering the intended benefits, alongside ensuring an accurate picture of the key impacts to be mitigated for. This process is integral to identifying any gaps or areas where interventions might not be as effective, helping to address the risks outlined in the "Lost Nature" report.²² The report highlights that without proper monitoring, there is a danger of both specific projects and strategic schemes underperforming, with promised measures not being delivered or maintained. Moreover, adaptive management is vital in such schemes, enabling the flexibility to escalate or adjust management practices if initial measures do not

¹⁹ Eftec (2021) Biodiversity Net Gain: Market Analysis Study, NR0171 www.randd.defra.gov.uk

²⁰ [Implementing statutory biodiversity net gain](#)

²¹ [Housebuilders, investment firms and environmental groups call on the government to champion Biodiversity Net Gain - Show House](#)

²² [Lost Nature - housing developers fail to deliver their ecological commitments. - Wild Justice](#)

adequately mitigate environmental impacts. This iterative approach is essential for ensuring strategic mitigation efforts are continuously refined, bolstering long-term success and resilience in biodiversity conservation.

Additionality

Core to the value of Biodiversity Net Gain is its emphasis on ‘additionality’, essentially, the focus on generating additional value and tangible gains, not just offsetting losses. Any strategic level approach on issues such as species, nutrients and protected sites must reflect this principle to genuinely support achieving our national targets for nature recovery, rather than simply aiming for nullifying harm.

However, 10% gain in BNG is clearly not yet driving investment at the scale needed to make significant inroads into nature recovery needs. As expected, 10% may amount to a “buffer” to ensure effective offsetting. Any future policy should aim for gains significantly above parity, so that they make a tangible contribution to environmental recovery, over and above offsetting harm.

The mitigation hierarchy

Through the multipliers embedded in the Biodiversity Net Gain metric, as well as its core policy design principles, Biodiversity Net Gain incentivises developers to follow mitigation hierarchy best practice, by prioritising avoidance and minimising habitat losses through financial incentives, before resorting to remedial compensation.

Any new mechanisms for strategic environmental mitigation must likewise follow the mitigation hierarchy, prioritising avoidance in the first instance before resorting to mitigation and then compensation. If the Nature Restoration Levy proceeds, compliance with the mitigation hierarchy should be clearly included in any legal provisions.

Health and greenspace inequalities

By supporting on-site enhancement as a priority and including multipliers that disincentivise locating the associated enhancements further away, BNG aims to ensure that the local communities and residents closest to - or part of - a new development benefit first and foremost from enhancements to local habitats, and the associated green space. This is particularly valuable in urban, greenspace-deprived areas, given the relative proportion of small, brownfield sites - and the potential for BNG as applied to these sites to deliver local nature enhancement.

A strong local connection for strategic Delivery Plan actions remains important, but their success depends first and foremost on being ecologically driven and operating at a landscape scale. Mitigation measures must be designed to prevent harm to nature and, at a minimum, avoid net loss while delivering genuine ecological recovery. Where multiple interventions of equal scientific efficacy exist, those closest to the communities most affected by new development should be prioritised. However, the overriding consideration must always be ecological effectiveness. Strategic mitigation actions should be implemented within the most appropriate ecological geography—whether that be a

catchment, or another landscape unit that best addresses the environmental challenges at hand. This ensures interventions function across entire ecosystems, strengthening connectivity and resilience. Public access, and efforts to address greenspace inequalities and deliver positive public health outcomes should be facilitated where ecologically appropriate, particularly where new habitats can provide benefits for both nature and people.

To maximise impact, mitigation actions should ideally be located within the Local Nature Recovery Strategy area or within the most appropriate ecological geography, such as the same catchment or landscape unit, as the development that necessitated them. This approach would not only support landscape-scale nature recovery but also ensures that areas most affected by development receive an appropriate ecological uplift. A range of interventions will be required—some offering opportunities for access, others not—but the overriding priority must be delivering the mitigation and biodiversity benefits essential for nature’s recovery.

Delivering development and nature recovery

Done well, BNG has real potential to contribute towards ensuring development can be achieved alongside nature recovery. By prioritising the enhancement of nature alongside development, the intention is to help ensure that growth does not come at the expense of nature. As the Government aims for further growth through planning reform, strengthening Biodiversity Net Gain (with higher ambition, fewer loopholes, and more stringent monitoring and enforcement) and the polluter pays principle can help truly align development with nature recovery, securing a healthier, more resilient future for both the economy and nature.

Wildlife and Countryside Link (Link) is the largest nature coalition in England, bringing together 86 organisations to use their joint voice for the protection of the natural world and animals.

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The following organisations have inputted into this briefing and support the policy of Biodiversity Net Gain.

RSPB

Plantlife

Amphibian and Reptile Conservation Trust

Bat Conservation Trust
The Wildlife Trusts
Friends of the Earth
The Rivers Trust
Buglife