

#### **ANNEX**

to

# Making Biodiversity gain deliver for nature recovery in Suffolk policy advocacy paper for Suffolk local planning authorities

This document sets out the arguments and supporting evidence for our recommendations to Suffolk planning authorities for putting in place the local policies and frameworks needed to ensure biodiversity [net] gain (BNG) delivers for nature recovery and people in Suffolk.

# Recommendations

- 1. Adopt a policy requirement for development to deliver a minimum of at least 20% BNG. In the meantime, LPAs can develop Guidance Notes and/or Supplementary Planning Documents to encourage development to deliver above the national minimum of 10% BNG.<sup>1</sup>
- 2. Start work now to gather evidence to support such a policy, including:
  - 2.1. the ecological needs case,
  - 2.2. the business case: justification, proportionality, costs, benefits, and potential savings of 20% vs 10% BNG
  - 2.3. viability assessment to demonstrate the deliverability of the policy while meeting LPAs' housing and economic growth and development targets,
  - 2.4. assessing supply and demand for off-site Biodiversity Units.
- 3. Deliver a proportion of all BNG off site and target delivery in the strategic Nature Recovery Network to ensure BNG contributes to nature recovery in Suffolk.<sup>2</sup>
- 4. Seek to prevent the sale of 'excess' on-site Biodiversity Units (BU) as off-site gains for other development.
- **5. Develop Local Authority 'habitat banks'** to create and restore priority habitat ahead of loss in locations where it will contribute to nature recovery.

<sup>&</sup>lt;sup>1</sup> Lichfield District Council became one of the first LPAs in England to require development to deliver BNG at a level of 20%, specified in a Supplementary Planning Document. See <u>Walsall and Lichfield Council's collaboration</u> on a Natural England Nature Recovery Project | Local Government Association

<sup>&</sup>lt;sup>2</sup> The Local Nature Recovery Strategy for Suffolk will identify the strategic NRN for targeting BNG and other habitat creation and restoration measures.

# Evidence to support our recommendations:

#### Click the links to jump to sections.

- 1. BNG and nature recovery
- 2. Evidence to support a 20% BNG minimum local policy requirement
  - 2.1. The ecological needs case
    - 2.1.1. The need for urgent action to restore Suffolk's degraded natural environment
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    - 2.2.4. Is a 20% BNG requirement justified and proportionate?
  - 2.3. Viability
  - 2.4. Defensibility of 20% minimum BNG policy
- 3. On-site vs off-site BNG: pros and cons and the case for delivery in the strategic Nature Recovery
- 4. The problem with the sale of 'excess' Biodiversity Units
- 5. Habitat banking
  - 5.1. Opportunities for local authority habitat banks
  - 5.2. Assessing supply and demand for off-site Biodiversity Units
  - 5.3. Interim guidance on strategic significance and target off-site BNG
- 6. List of useful BNG planning policy resources including local policy examples and viability assessments.

#### 1. BNG and nature recovery

We are facing twin global crises of climate change and biodiversity loss and live in one of the most nature-depleted nations in the world. A 'Biodiversity Intactness Index' published by the RSPB and Natural History Museum in 2021 ranked the UK 12th lowest out of 240 countries assessed for their biodiversity intactness. Treated on its own, England ranked 7<sup>th</sup> lowest.<sup>3</sup>

Wildlife in England has declined in abundance by an average of 32% since 1970<sup>4</sup>, and the abundance of wildlife in Britain has halved since the industrial revolution. Despite individual conservation success stories like those of the otter, marsh harrier, and bittern, which have been brought back from the brink of extinction in the UK, the overall trend has continued to be one of decline in the abundance of wildlife.

Development activity has historically been a significant driver of biodiversity loss in the UK through the destruction of wildlife habitats and degradation of ecosystems. Projected future population growth and increased urbanization is recognized as a significant threat to our ability to halt and then reverse biodiversity declines.

<sup>&</sup>lt;sup>3</sup> RSPB Biodiversity Intactness Index Summary Report 2021 and Biodiversity Trends Explorer | Natural History Museum (nhm.ac.uk)

<sup>&</sup>lt;sup>4</sup> State of Nature England 2023

<sup>&</sup>lt;sup>5</sup> UK has 'led the world' in destroying the natural environment | Natural History Museum (nhm.ac.uk)

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At the same time, evidence for the economic and social value of biodiversity and 'natural capital' – and the risk if we don't protect it – has grown rapidly in recent years. England's natural capital was valued at £1.4 trillion in  $2020^6$  and the World Economic Forum has calculated that 50% of the global economy is under threat from biodiversity loss.<sup>7</sup>

In 2010, *The Lawton review*, or 'Making space for nature: A review of England's Wildlife Sites and Ecological Network' introduced the idea of needing to create 'more, bigger, better and connected ecological networks' to reverse wildlife losses.<sup>8</sup>

It is against this background that the UK Government has committed to protect 30% of our land and seas for nature by 2030,<sup>9</sup> and creating or restoring half a million hectares of additional wildlife habitat to help establish a Nature Recovery Network that will help wildlife thrive while bringing a wide range of additional benefits for the environment, people, and the economy.<sup>10</sup>

The requirement introduced by The Environment Act (2021) for development in England to demonstrate biodiversity gain from January 2024 is a response to the role of development in driving biodiversity loss.

Defra describes biodiversity gain as:

Biodiversity net gain (BNG) is a strategy to develop land and contribute to the recovery of nature. It is a way of making sure the habitat for wildlife is in a better state than it was before development.<sup>11</sup>

The polices and frameworks that implement BNG through the local authority planning system are crucial to the success of BNG in achieving this goal.

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# 2. Evidence to support a 20% BNG minimum local policy requirement

The Environment Act sets the minimum level of BNG development will have to achieve as a condition of planning permission at 10%, measured using Defra's Biodiversity Metric, but Government's 2022 consultation on BNG regulations and implementation states:

'It remains the UK Government's intention to continue to allow higher percentage targets to be set by planning authorities at a local or site level. Any higher target should be made clear at an early stage in the planning or development process and careful consideration should be

<sup>&</sup>lt;sup>6</sup> England natural capital accounts - Office for National Statistics (ons.gov.uk)

<sup>&</sup>lt;sup>7</sup> Biodiversity loss poses a fundamental risk to the global economy | World Economic Forum (weforum.org)

<sup>&</sup>lt;sup>8</sup> Making Space for Nature: (nationalarchives.gov.uk)

<sup>&</sup>lt;sup>9</sup> PM commits to protect 30% of UK land in boost for biodiversity - GOV.UK (www.gov.uk)

<sup>&</sup>lt;sup>10</sup> In 2018, the Government published the 25 Year Environment Plan, which set out what it would do to improve the environment within a generation: <u>25 Year Environment Plan - GOV.UK (www.gov.uk)</u>

<sup>&</sup>lt;sup>11</sup> Biodiversity net gain - GOV.UK (www.gov.uk)

given to the feasibility and achievability of any requirements above 10%, which can have significant impacts on the costs of developing a site.'

Not only would a minimum level of 20% BNG be more appropriate to meet the objective for the policy to contribute to nature recovery, but it would also be deliverable in Suffolk and would not significantly increase developers' costs or impact on the viability of development. This view is supported by evidence from Defra's own net gain impact assessment, <sup>12</sup> as well as several published reports and studies commissioned by local authorities and Local Nature Partnerships in other parts of England. (See section 6. <u>List of useful BNG planning policy resources including local policy examples and viability assessments.</u>)

Suffolk County Council has already adopted the aim of delivering at least 20% BNG across the Council's own housing programme, and for 30% of its land and assets to be enhanced for nature by 2030.<sup>13</sup>

Meanwhile, Suffolk's local authorities have adopted interim guidance on BNG in planning and West Suffolk Council is exploring a 20% BNG requirement as part of its ongoing Local Plan review.<sup>14</sup>

To support local policy requirements for a minimum level of BNG higher than 10%, Suffolk LPAs – collectively or individually – will need to develop the supporting evidence to justify this requirement and demonstrate that it is compatible with meeting the LPAs' other statutory duties and obligations.

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## 2.1. Ecological needs case

# 2.1.1. The need for urgent action to restore Suffolk's degraded natural environment

The Norfolk and Suffolk Natural Capital Evidence Compendium, published in October 2020, presents information about the status and risk to the counties' natural assets, including biodiversity, habitats and species.<sup>15</sup>

According to the report, less than 8% of land in Suffolk is specifically protected for wildlife through designation as Sites of Special Scientific Interest (SSSI). Nearly two-thirds of these are in unfavourable condition.

By comparison, 74% of the total land area of Suffolk is used to grow arable and fruit crops (compared with an average of 44% for England), another 8% is taken up by urban development. Except for within the Broads and Dedham Vale AONB, Suffolk and Norfolk have 15% less natural grassland than elsewhere in England.

<sup>12</sup> Net gain impact assessment (publishing.service.gov.uk)

<sup>&</sup>lt;sup>13</sup> Minutes of SCC Cabinet Meeting held on 1 February 2022. <u>Committee Documents - Committee Minutes</u> (suffolk.gov.uk)

<sup>&</sup>lt;sup>14</sup> BNG Interim Guidance Note for Suffolk, May 2023

<sup>&</sup>lt;sup>15</sup> Natural Capital Evidence Compendium for Norfolk and Suffolk, October 2020

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These figures vary between Suffolk's LPAs / districts, but the overall picture is of a county which, while predominantly rural and with large areas designated for their landscape value and natural beauty, has seen significant historic loss of wildlife habitat to human activity including agricultural intensification and urban development.

Despite this, Suffolk is still home to some of the UK's rarest, richest, and most fragile wildlife habitats, from chalk streams and fen wetlands to lowland heath and meadows. Nearly 20% of the country's reedbeds are found in Suffolk, with iconic species like marsh harrier, bittern, and otter all being brought back from the brink of extinction in the UK thanks largely to conservation efforts in our county.

Many of Suffolk's habitats and ecosystems, along with the biodiversity they support, are under extraordinary pressures from climate change, human resource use and land management practices, population growth and urban development.

BNG presents a crucial opportunity to change the ecological outcomes of development for the better – transforming a sector that has been one of the biggest drivers of biodiversity loss into one that helps to reverse declines – but only if we are more ambitious with the level of BNG development achieves and ensure that it genuinely supports nature recovery.

# 2.1.2. Nature recovery in Suffolk

There is currently no county-wide agreement on what Suffolk's contribution to national nature recovery should be.

The UK Government is committed to 30% of our land and seas being protected for nature by 2030.

The Environment and Climate Change Committee's report on Protected Areas, published in July 2023, found that only 6.5% of land in England is effectively protected for nature. 16

Wildlife and Countryside Link's (WCL) '2023 progress report on 30x30 in England' highlights the alarming lack of progress to date on achieving this vital target for reversing biodiversity losses and restoring the resilience of natural ecosystems.<sup>17</sup> WCL's report concludes only 3.11% of land in England is effectively protected and managed for nature, because nearly two-thirds of our legally protected sites are not in 'favourable condition.'

In Suffolk, currently just 10.1% of the land area of the county is under conservation management, and only 8% is legally protected for nature through their designation as Sites of Special Scientific Interest.

By this measure, to get to 30 by 30 in Suffolk we would need to treble the area of land protected for nature while improving the condition of those legally protected sites that are not in favourable condition.

<sup>&</sup>lt;sup>16</sup> We urgently need to protect England's nature - Committees - UK Parliament

<sup>&</sup>lt;sup>17</sup> Wildlife and Countryside Link 30x30 in England Progress Report 2023 (wcl.org.uk)

Natural England's Combined Habitat Network map identifies areas of Restorable Habitat, Network Enhancement Zones, and a Network Expansion Zone in Suffolk totaling just over 1,300 square kilometers, or 34% of the county.

The 25 Year Environment Plan set another national target for habitat creation and restoration to support nature recovery in England: to create or restore 500,000ha of new wildlife habitat (with a focus on priority habitat) outside the existing network of wildlife sites.

If Suffolk were to contribute to this target in proportion to its area, this would amount to around 14,500ha (145 squares kilometers) of new wildlife habitat across Suffolk, or just 3.8% of the land area in Suffolk.

This gives some idea of the scale of habitat creation and restoration required in Suffolk to restore the natural habitat we have lost.

For BNG to contribute meaningfully to meeting this need, it must deliver more than the marginal 10% that will be the minimum requirement nationally.

Oxford University and the Oxfordshire Local Nature Partnership (LNP) assessed the potential for BNG to contribute to achieving the target for 30% of Oxfordshire to be managed for nature by 2030 and found that at a rate of 10% BNG the policy would fund at best 13% of the cost of reaching this goal. Doubling the level of BNG to 20% would mean it could provide up to a quarter of the funding to achieve 30 by 30.<sup>18</sup>

### 2.1.3. 10% BNG is marginal in terms of meaningful uplift in biodiversity

Defra's own assessment found that a level of 10% BNG was the minimum needed to be confident that development would at least not result in a net loss for biodiversity. 19

To overcome the margins for error in the calculation of BNG and uncertainties in the real-world ecological outcomes, development will need to deliver significantly more than 10% according to the Defra Metric for BNG to achieve its stated aim of contributing to nature recovery.

It is unlikely that this would be achieved through voluntary undertakings alone. A local policy establishing a minimum level of BNG will be a more effective and equitable means of securing the requisite contribution from development to meeting national and local nature recovery goals.

At 10%, in Suffolk, where most development is on greenfield land and land availability is not a limiting factor, it is highly likely that the vast majority of BNG will be delivered on-site, making a negligible contribution to strategic nature recovery. (See: On-site vs off-site BNG)

For instance, a 2021 study of BNG delivered in early adopting planning authorities found that 95% of biodiversity units were to be delivered through the creation and enhancement of

Note: none of Suffolk's LPAs have adopted 30 by 30 as a target themselves, but it is one of Suffolk Wildlife Trust's strategic goals for 30% of Suffolk's land and seas to be protected and enhanced for nature by 2030.

<sup>&</sup>lt;sup>18</sup> BNG-report-final-29-June-2023.pdf (ox.ac.uk).

<sup>&</sup>lt;sup>19</sup> Defra Net gain impact assessment 2019 (publishing.service.gov.uk)

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habitats within the development footprint or directly-adjacent to developer-owned compensation areas – i.e. not within the strategic nature recovery network.

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#### 2.2. Business case

#### 2.2.1 LPAs' strengthened biodiversity duty

The Environment Act 2021 strengthened the biodiversity duty on public bodies in Section 40 of the Natural Environment and Rural Communities (NERC) Act 2006 to 'conserve and enhance biodiversity.'<sup>20</sup>

Adopting enhanced local BNG policy requirements will enable LPAs to secure a higher level of contribution from development to enhancing biodiversity and achieving local and national targets for nature recovery.

#### 2.2.2 Increasing natural capital and ecosystem services

The wider environmental, social, and economic benefits of creating and restoring habitats and healthy functioning ecological networks are well documented, and the Norfolk and Suffolk Natural Capital Evidence Compendium presents a baseline for the natural assets underpinning ecosystem goods and services.<sup>21</sup>

Creating and restoring or enhancing wildlife habitats and ecosystems in the right places could deliver a wide range of benefits, including:

- Increasing and improving equal and inclusive access to high quality natural green spaces,
- Improving health and wellbeing outcomes<sup>22</sup>
- Mitigating and adapting/increasing resilience to climate change, for example through restoring functional flood plains,
- Creating more attractive places for people and businesses.

These potentially align with and contribute to other local authority strategic priorities and objectives.

<sup>&</sup>lt;sup>20</sup> Natural Environment and Rural Communities Act 2006 (legislation.gov.uk)

<sup>&</sup>lt;sup>21</sup> Natural Capital Evidence Compendium for Norfolk and Suffolk.pdf

<sup>&</sup>lt;sup>22</sup> The People and Nature Survey for England: Year 2 Annual Report - Data and publications (April 2021 - March 2022) (Official Statistics) main findings - GOV.UK (www.gov.uk)

### 2.2.3 Cost savings on monitoring and enforcement requirements

Defra's impact assessment states:

Setting a higher level [of BNG] also means that gains could be achieved with an imperfect level of scrutiny and monitoring of individual sites (and the costs that such extensive monitoring and enforcement would incur).

This essentially recognizes that there are potential cost savings in the monitoring and enforcement of BNG from higher level minimum requirements that provide greater confidence that significant and meaningful biodiversity uplift will be achieved.

This would allow reduced monitoring and enforcement effort (and cost) to ensure minimum requirements are being met or exceeded on all sites. Instead, a smaller proportion of sites could be audited to indicate the overall level of compliance with BNG requirements.

Habitat Banking to provide off-site BNG through creating and restoring habitats at scale also offers potential efficiency savings including on the cost of monitoring and enforcement. (See 5. Habitat Banking)

#### 2.2.4 Is a 20% BNG requirement justified and proportionate?

Urbanisation – increasing the area of 'sealed surface' developed land – has the greatest impact on species and biodiversity of any habitat conversion.<sup>23</sup>

While comprehensive data on habitat loss to urbanisation are not available, we know that an additional 1,600 miles of road were constructed in Great Britain between 2006 and 2018.<sup>24</sup>

According to housing projections supplied by Suffolk County Council for the production of the Norfolk and Suffolk Natural Capital Evidence Compendium<sup>25</sup> New Dwellings Planned between 2018 and 2036 were as follows for the different Suffolk LPAs:

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West Suffolk – 10,000-14,900

Babergh and Mid Suffolk – 17,500-24,800

Ipswich – 7,500-9,900

East Suffolk – 15,000-19,900
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This represents a significant increase in housing in the county, and the area of developed land. The report identifies development and urbanisation – in particular housing growth – as increasing risks to priority habitats and habitat connectivity. It also states that *'it remains to be seen whether a balance can be achieved that meets housing need whilst safeguarding natural assets.'* 

Suffolk is also subject to significant growth in infrastructure related to low carbon electricity generation and associated electricity transmission network upgrades needed to distribute this much clean energy to the places where it is needed.

<sup>&</sup>lt;sup>23</sup> State of Nature 2019 report

<sup>&</sup>lt;sup>24</sup> https://www.gov.uk/government/statistical-data-sets/road-length-statistics-rdl

<sup>&</sup>lt;sup>25</sup> Natural Capital Evidence Compendium for Norfolk and Suffolk, October 2020

Considering both projected housing growth and the significant new energy infrastructure development expected in Suffolk between now and 2030 and given the known impact of development and housing growth on habitats and biodiversity as well as the wider natural environment, it is entirely appropriate and proportionate that development should deliver the more ambitious level of 20% BNG.

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# 2.3. Viability

Like any new regulation or standard that requires people to do things differently, BNG is sometimes perceived and portrayed as being a burden on developers that could impact on viability and the ability of housebuilders to deliver the homes (including affordable homes) people need. This view of BNG though is not supported by the evidence.

One of the most common concerns expressed about increasing the minimum level of BNG required of development is the potential for this to impact on viability, especially in relation to new housing, with some housebuilders lobbying against even the 10% requirement Government has adopted nationally.

Evidence from Guildford Borough Council (GBC), who have successfully adopted Local Plan policies requiring developers to deliver a minimum of 20% BNG, suggests that the biggest hurdles for higher than 10% BNG policies to overcome at examination will be demonstrating viability and deliverability.<sup>26</sup>

Guildford Borough Council's experience getting their 20% BNG policy through examination suggests local authorities with similar ambitions will have to:

- justify the specific local need for a higher than 10% BNG requirement, (See 2.1 <u>Ecological needs case</u>. Note: this case will need to be refined to address specific need in each LPA)
- 2. demonstrate the viability of the policy in the local authority with locally specific assessments,
- demonstrate the deliverability of the policy with evidence from assessments of BNG achievable on-site and availability of off-site biodiversity units to meet demand.
   Evidence presented by GBC at examination included an assessment of a strategic local authority habitat bank site and the number of biodiversity units it could provide. (See section 5. Habitat banking)

<sup>&</sup>lt;sup>26</sup> From <u>LGA Planning Advisory Service website</u>: '<u>Guildford Borough Local Plan</u>: <u>Development Management Policies</u> (part 2 of the Local Plan) was adopted on 22 March 2023 with Policy P7: Biodiversity in New Developments requiring 20% BNG once BNG becomes mandatory. The main evidence to support 20% net gain in this case was <u>Surrey Nature Partnership's recommendation for 20% BNG</u> and the policy was also tested through the Viability Assessment, which you can find on <u>Guildford Borough Council's Submitted documents webpage</u>. Further evidence was submitted to support the policy under <u>Matter 3 during the Examination</u>, including a specific study.'

Several studies have investigated the viability of delivering BNG for developers and for local authorities. These include:

- Defra's <u>Biodiversity net gain and local nature recovery strategies impact assessment</u> of 2019,
- Kent County Council's Viability Assessment of Biodiversity Net Gain in Kent, 2022.
- Swale Borough Council draft <u>Local Plan Viability Study</u>, which uses the Defra impact assessment 'central estimate cost per dwelling for the South East.' <sup>27</sup>

The Local Government Association's Planning Advisory Service webpage on Biodiversity Net Gain in Local Plans and Strategic Planning provides useful summaries of and links to these and other viability assessments in a section titled: <u>Local Plans</u>, <u>viability and percentage of net gain</u>, *Going Above 10%*.

From these studies, the following key points emerge in response to viability arguments against higher than 10% BNG requirements:

- 1. Increasing BNG to 20% will in most cases not materially affect viability whether delivered on-site or off-site,
- the additional cost of delivering 20% BNG (doubled from 10%) is proportionately small and generally negligible in the overall cost of development or as a proportion of cost per housing unit,
- 3. because BNG costs are low compared with other policy costs, they are not likely to be what renders development unviable,
- 4. 90% of the cost of delivering BNG is expected to be passed on to the land costs, i.e. the price that developers pay for land with development potential. These costs will effectively not be borne by developers or housebuilder themselves at all, but it will take time for this effect to come through.<sup>28</sup>

<u>Defra's 2019 BNG impact assessment</u> estimated that doubling the level of net gain from 10% to 20% would increase the area of habitat created annually by the policy by 29% while only increasing the cost of delivery to developers by 19%.<sup>29</sup>

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<sup>&</sup>lt;sup>27</sup> Swale Borough Council put costs at £948 per dwelling for 10% BNG with an additional £180 per dwelling (less than 19% increase) for 20% BNG. See:

 $<sup>\</sup>frac{\text{https://services.swale.gov.uk/assets/Planning\%20Policy\%202019/Local\%20Plan\%20Viaibility\%20Study\%20(Draft).pdf}{\text{pdf}}$ 

<sup>&</sup>lt;sup>28</sup> <u>Defra Net gain impact assessment 2019 (publishing.service.gov.uk)</u> p43.

<sup>&</sup>lt;sup>29</sup> 'Doubling' BNG from 10% to 20% does not double the area of habitat because 1) it is actually only an increase of 10 percentage points from 110% to 120% (a 9% increase) and 2) not all of this increase would be achieved by increasing habitat area – some would be through design changes and enhancing existing habitats.

# 2.4. Defensibility of 20% minimum BNG policy

Several local authorities have either already adopted or are in the process of consulting on 20% BNG requirements through local plan policies or Supplementary Planning Documents.<sup>30</sup>

Guildford Borough Council's success in adopting a 20% BNG requirement in their Local Plan demonstrates that local policy divergence from the national minimum 10% BNG requirement is possible and can be successfully defended at examination.<sup>31</sup>

Advice from the Planning Advisory Service and Natural England based on the evidence of existing viability assessment suggests that it will be extremely difficult for developers to successfully challenge and overturn higher than 20% BNG policy requirements that have been adopted through the Local Plan review process.

# 3. On-site vs off-site BNG: pros and cons and the case for delivery in the strategic Nature Recovery Network

In its response to public consultation on BNG regulations and implementation, Defra expressed strong support for BNG to be achieved through on-site habitat creation and enhancement measures in preference to off-site measures that might be located some distance from the development (and so from the location of any habitat lost).

The secondary legislation is expected to confirm that developers must first seek to deliver their BNG on-site (within the red line of the development) before considering off-site habitat creation of the purchase of Biodiversity Units from a local offsetting site.

On the one hand, this will ensure:

- 1. That any habitat lost to development is replaced nearby reducing net losses locally.
- 2. People and businesses will benefit from new and enhanced wildlife habitat in the vicinity of new housing or commercial development.

On the other hand, it could deliver poorer outcomes for biodiversity at a landscape level and severely limit the contribution that BNG makes to wider nature recovery ambitions. The reasons for this include, but are not limited to:

- 1. Greater impacts from recreational disturbance, predation by cats, disturbance by dogs, light, and noise on wildlife closer to residential and commercial areas,
- 2. While some priority species, like swifts and hedgehogs, can thrive in urban and semiurban areas if these are well designed for wildlife, others need more extensive areas of connected habitat that it is difficult to provide within new development,

<sup>&</sup>lt;sup>30</sup> <u>Biodiversity Net Gain in Local Plans and Strategic Planning | Local Government Association</u>

<sup>&</sup>lt;sup>31</sup> <u>Guildford Local Plan - Guildford Borough Council</u>, <u>Submitted documents - Guildford Borough Council</u> and Examination documents - Guildford Borough Council

3. The strong preference for on-site BNG reduces the investment in habitat creation in the strategic Nature Recovery Network where it would have the greatest benefit for biodiversity and restoring lost ecological connectivity.

Principle 1 in CIEEM's (The Chartered Institute of Ecologist and Environmental Managers) BNG: Good practice principles for development states:

'If compensating for losses within the development footprint is not possible or does not generate the most benefits for nature conservation, then offset biodiversity losses by gains elsewhere.' 32

The emphasis on achieving the greatest benefits for nature conservation is not unintentional or insignificant. It is called *biodiversity* gain – not amenity greenspace gain – for a reason.

Table summarizing pros and cons of on-site vs off-site BNG:

	On-site	Off-site
(potential) Benefits	<ul> <li>Keeps habitat creation or enhancement local to development impact.</li> <li>People and businesses benefit from nature-rich habitats and greenspace.</li> <li>Can help priority species of conservation concern, such as hedgehog.</li> <li>Potentially cheaper if additional land does not have to be purchased.</li> </ul>	<ul> <li>Potential to deliver landscape scale habitat creation (sometimes bigger is better).</li> <li>Can be directed to strategic NRN to support wider nature recovery.</li> <li>Can help some of our most threatened species.</li> <li>Potential for new sites with visitor access where people can engage with and benefit from nature.</li> </ul>
(potential) <b>Drawbacks</b>	<ul> <li>Subject to higher levels of disturbance, including predation of wildlife by cats.</li> <li>Many priority species of conservation concern will not benefit.</li> <li>Unlikely on-site habitat will be located in the strategic NRN, so limited contribution to restoring ecological connectivity and strategic nature recovery.</li> </ul>	<ul> <li>Habitat may not be local to development impact.</li> <li>Does not deliver some of the benefits of green infrastructure within new development, so this will need to be provided in addition to off-site BNG.</li> </ul>

Suffolk Wildlife Trust advocates for a more egalitarian split between on-site and off-site BNG measures, which would see the benefits of BNG more evenly shared between local wildlife, people, and businesses, and wildlife in the wider Suffolk landscape that is depending on our

<sup>&</sup>lt;sup>32</sup> Biodiversity-Net-Gain-Principles.pdf (cieem.net)

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efforts to restore and repair the historic damage we have done to our ecological networks and natural environment.

Local authorities should adopt a flexible approach to the delivery of BNG that supports a proportion of BNG being delivered through off-site measures in the strategic nature recovery network, while also increasing biodiversity and enhancing natural greenspace within new housing developments. Neighbouring LPAs should collaborate and coordinate strategic off-site delivery where it is most ecologically beneficial, recognizing that this might not always by within the same LPA as the development.<sup>33</sup>

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# 4. The problem with the sale of 'excess' biodiversity units

While stating that local authorities will be able to adopt policies that set the level of BNG development must deliver above the national minimum level of 10%, the Government also stated in their response to 2022's public consultation on BNG regulations and implementation that they will allow developers to sell the 'excess' biodiversity units (those above the 10% minimum requirement) as off-site gains for other development.<sup>34</sup>

This decision risks making 10% (or any higher-level set by local policies) the ceiling for BNG when it should be a minimum entry level that developers are encouraged to exceed to deliver enhanced benefits for biodiversity and nature recovery.

The potential for developers to sell Biodiversity Units above those needed for 10% BNG is especially worrying for certain kinds of development, notably solar farms, that typically achieve far higher levels of BNG through land management practices that are standard across the sector.35

This could not only mean ecological outcomes from solar farms being worse because of BNG, but also the loss of significant investment in habitat creation and restoration in the Nature Recovery Network if demand for offsite Biodiversity Units is absorbed by solar farms.

Suffolk Wildlife Trust has published a separate briefing for local authorities on the issue of solar farms and the sale of excess Biodiversity Units that we can share on request.

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<sup>&</sup>lt;sup>33</sup> Nature and ecological networks do not recognize or adhere to LPA boundaries.

<sup>&</sup>lt;sup>34</sup> Consultation on BNG regulations and implementation, 2022: Government response and summary of responses - GOV.UK (www.gov.uk)

<sup>35</sup> According to solar industry body Solar Energy UK, pre-BNG solar farms were already routinely achieve anything between 20% and more than 100% BNG. See Briefing | Fact Checker (solarenergyuk.org)

# 5. Habitat banking

Habitat banking is an approach to offsetting habitat (and hence biodiversity) loss that seeks to create or restore wildlife habitats *before* that loss occurs. This has the significant advantage that it can help to prevent the temporary loss of wildlife habitat that occurs if habitat creation or enhancement does not begin until after the loss takes place.<sup>36</sup>

This approach can be used to help meet future demand for BNG through off-site habitat creation and has several additional **potential benefits for nature**, including:

- Supporting proactive landscape scale nature recovery schemes.
- Enabling creation of 'high distinctiveness' priority habitats with high biodiversity value that are difficult or take a long time to establish.

There are some **challenges to taking a habitat banking approach** to meeting off-site BNG needs though, including:

- Unknown demand for off-site Biodiversity Units.
- Lack of frameworks to support habitat banking in Suffolk.
- Significant upfront investment requirement (e.g. land acquisition, habitat creation and management, BNG baseline assessments and monitoring).
- Off-site BNG is a competitive marketplace, with multiple providers potential vying for the
  money of developers for their Biodiversity Units. LPAs will not be able to dictate where
  developers purchase their off-site Units.

Availability of land for habitat banking is a limiting factor for some local authorities, usually those that are either highly urban in nature or where undeveloped land is at a premium for other reasons, e.g. where there is a high proportion of Grade 1 agricultural land (the highest productivity).

This is not the case for Suffolk, where there is relatively plentiful supply of suitable land, except in Ipswich, which is more urban in nature than other Suffolk LPAs, and where demand for off-site Biodiversity Units might need to be met by habitat creation outside the local authority.

Even in this case though, there is potential for habitat banking to help maximise the ecological and wider environmental, social, and economic benefits of BNG, by creating large areas for nature on the edge of Ipswich.

### 5.1. Opportunities for local authority habitat banks

Developing a local framework for delivering off-site BNG, and local authority habitat banks could:

- Help ensure off-site BNG is delivered within or as close to LPA as is possible while also maximising the contribution to restoring ecological networks and nature recovery.
- 2. Support habitat creation, restoration, and management on land owned by the local authority in the strategic nature recovery network.

<sup>&</sup>lt;sup>36</sup> This is not to be confused with *land* banking – the practice of buying land in anticipation of future demand for that land to be used for a given purpose (which can include habitat creation, but the practice is also used by developers to secure land for future development).

Suffolk Wildlife Trust has several parcels of land where habitat creation has already started with a view to providing off-site Biodiversity Units that could form part of a local network of habitat banking sites in the strategic nature recovery network.

We are keen to work with local authorities to develop this network to maximise the benefits of off-site BNG for nature and people in Suffolk.

# 5.2. Assessing supply and demand for off-site Biodiversity Units

Before developing local habitat banks though, it will be important for LPAs to assess the likely future demand for off-site Biodiversity Units to ensure the creation of habitat banks to provide off-site Biodiversity Units is matched to this demand.

Suffolk Wildlife Trust has produced an outline process for assessing likely future demand for off-site Biodiversity Units and shared this with local authorities in Suffolk, including via the East Anglian Biodiversity and Planning Group. We can share this on request.

### 5.3. Interim guidance on strategic significance and targeting off-site BNG

The Local Nature Recovery Strategy for Suffolk that will among other things identify the strategic nature recovery network to inform targeting of off-site BNG is not expected to be completed and published before the end of 2024.

This means that local authorities will need to develop interim guidance on determining strategic significance, and criteria to help target off-site BNG to locations where it will contribute to strategic nature recovery, or risk losing the benefits this would bring.

Some LPAs have already published supplementary guidance on how ecologists should use this information to help determine strategic significance – see for example Bucks Council: Interim Strategic Significance and Spatial Risk Guidance (buckinghamshire-govuk) who have used mapped Biodiversity Opportunity Areas and their Biodiversity Action Plan to identify priority areas where habitat creation will contribute to the Nature Recovery Network.

Suffolk Wildlife Trust has created a 'Habitat Network Plus map' to illustrate the broad approach we think should be taken to identifying the strategic NRN in Suffolk, along with principles and recommendations for a LNRS for Suffolk, which include a section on the supplementary guidance and decision-making tools that will be needed to help people interpret and use the map, e.g. to target off-site BNG. This would need to include guidance on which (priority) habitats should be targeted for creation / restoration in which locations.

We can make this map and our principles and recommendations for a LNRS for Suffolk available on request and would be happy to support local authorities with the development of their interim mapping and guidance.

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# 6. List of key BNG planning policy resources including local policy examples and viability assessments.

#### **Government BNG resources**

Government BNG webpage: Biodiversity net gain - GOV.UK (www.gov.uk)

Defra BNG and LNRS impact assessment: Net gain impact assessment (publishing.service.gov.uk)

# **Advice for LPAs**

\* Local Government Association Planning Advisory Service BNG hub: <u>Biodiversity Net Gain for local authorities</u> | Local Government Association

Useful pages on this site (they are all essential reading!):

- \* Biodiversity Net Gain in Local Plans and Strategic Planning | Local Government Association
- includes information about how Guildford Borough Council successfully adopted 20% BNG Local Plan policy.

# **Viability Assessments**

Viability Assessment of Biodiversity Net Gain in Kent, 2022.

Swale Borough Council draft Local Plan Viability Study

#### Examples of local policy and guidance

See section 'Going above 10%' on LGA Planning Advisory Service page <u>Biodiversity Net Gain in Local Plans and Strategic Planning BNG</u>

#### 20% BNG Local Plan policy:

Guildford Borough Local Plan: Development Management Policies (part 2 of the Local Plan) was adopted on 22 March 2023 with Policy P7: Biodiversity in New Developments requiring 20% BNG once BNG becomes mandatory. The main evidence to support 20% net gain in this case was Surrey Nature Partnership's recommendation for 20% BNG and the policy was also tested through the Viability Assessment, which you can find on Guildford Borough Council's Submitted documents webpage. Further evidence was submitted to support the policy under Matter 3 during the Examination, including a specific study.'

<u>Walsall and Lichfield Council's collaboration on a Natural England Nature Recovery Project | Local Government Association</u>

# Strategic significance guidance in lieu of LNRS:

Bucks guidance on strategic significance: <u>Interim Strategic Significance and Spatial Risk Guidance</u> (<u>buckinghamshire-gov-uk</u>)