

Delivering mandatory biodiversity net gain

February 2024



About the Land Trust

The Land Trust is a charity that is committed to the long-term, sustainable management of open space for community benefit. Our vision is to improve the quality of people's lives through the creation and management of sustainable, high quality green space that delivers real and lasting environmental, social and economic benefits.

We currently have ownership and responsibility for over 80 sites totalling 2,900 hectares of open space across the country. Our diverse portfolio includes amenity space, nature reserves, SANG (Suitable Alternative Natural Greenspace) and Scheduled Ancient Monuments.

Research methodology

42 land promoters and developers were surveyed via Survey Monkey between 1 Nov – 1 Dec 2023. 83 land promoters and developers were surveyed via Survey Monkey in a previous survey conducted between 1 – 31 August 2022*.

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The Land Trust launches new research as mandatory biodiversity net gain (BNG) regulations come into effect.

New research from national green space management charity, the Land Trust, in partnership with the Land Promoters & Developer Federation (LPDF) and the Home Builders Federation (HBF) has found that despite the challenges it presents, 95% of respondents support the launch of BNG regulations, with only 5% in opposition.

However, just one in 14 (7%) land promoters and developers believe the fulfilment of mandatory biodiversity net gain (BNG) is comfortably achievable. Close to half of respondents (45%) felt the principles are somewhat achievable, however, 43% stated fulfilment would be “very challenging.”

As the legislation launch date has drawn nearer, it seems confidence has dropped for some as survey data from August 2022* found 13% of land promoters and developers felt mandatory BNG would be comfortable achievable.

Identifying the challenges

At the time of the survey, the launch of mandatory BNG was just weeks away, albeit the regulations were subsequently delayed. One of the key aims of the survey was to identify where land promoters and developers feel the biggest challenges of the legislation lie, along with the impact it will have on the wider industry.

Of the 42 land promoters and developers surveyed, the availability of land onsite to deliver BNG was identified as the biggest challenge with 88% fearing a shortfall. A further 52% called out the availability of land to deliver offsite BNG. However, perhaps most critically, more than two thirds, (69%) are concerned that BNG requirements may impact the overall viability of a site, with a further 48% concerned about the cost to the developer.

Further concerns are listed in the table below.

Biggest perceived challenges within BNG delivery:

Availability of land onsite to deliver BNG	88%
That BNG requirements may impact the overall viability of a site	69%
Appropriate administration resource and skillset within Local Planning Authority	62%
Availability of land to deliver offsite BNG	52%
Cost to the developer	48%
Availability of appropriate management bodies to deliver BNG	43%
Availability of third-party credits	40%
Delivering BNG alongside other legal requirements	36%
The 30 years' delivery of BNG	31%
Proving to the Local Planning Authority that the mitigation hierarchy has been adhered to, before being allowed to go offsite to deliver BNG	31%
Appropriate administration resource and skillset within Natural England	29%
Ecology sector resource	17%
Negative impact on sales and/or placemaking	5%
Appropriate administration resource and skillset within consultancies	5%

A separate question asked respondents whether they felt there is enough guidance around BNG delivery. Less than a third (31%) of land promoters and developers said "yes", while almost two thirds (64%) said there is not enough guidance currently. 5% were unsure.

House prices

On the impact of BNG regulations on house prices, it seems it may just be too early to tell. 42% said they felt the regulations would cause house prices to increase, while only 2% said they would likely decrease. 56% of respondents said they didn't know.

Adjusted bids

The survey received a clearer response on the question of adjusting bids for land in accordance with the added cost that BNG will levy. 86% of land promoters and developers stated they would do so. Just 5% of respondents said they wouldn't adjust bids, while 9% said they didn't know.

Onsite vs offsite

When asked how likely it is their organisation would need to go offsite to fulfil BNG obligations, 83% said either likely (50%) or very likely (33%). 12% said unlikely while 5% said they didn't know.

This compares to a similar result in our 2022 survey which found 79% of respondents felt it was likely their organisation would need to go offsite to fulfil BNG obligations (30% very likely, 40% likely).

Likely split of onsite/offsite fulfilment

100% onsite	7%
75% onsite / 25% offsite	31%
50% onsite / 50% offsite	43%
25% onsite / 75% offsite	17%
100% offsite	2%





83% said it was likely or very likely their organisation would need to go offsite

Biodiversity unit supply and demand

The availability of biodiversity units is a hot topic of conversation and a concern within the development industry. When asked if they foresee a shortage in supply of biodiversity units either as BNG regulations come into place, or if they are already experiencing a shortage of supply, more than one in five (21%) land promoters and developers said they are already experiencing a shortage, while almost half (48%) said they expect there to be a shortage in the future. 12% said they are not currently experiencing a shortage in biodiversity units currently, however only one in 10 (10%) said they were confident there wouldn't be a shortage in the future.

I am experiencing a shortage now	21%
I think there will be a shortage in the future	48%
I am not experiencing a shortage now	12%
I don't expect to experience a shortage in the future	10%
I don't know	21%

(tick all that apply question)

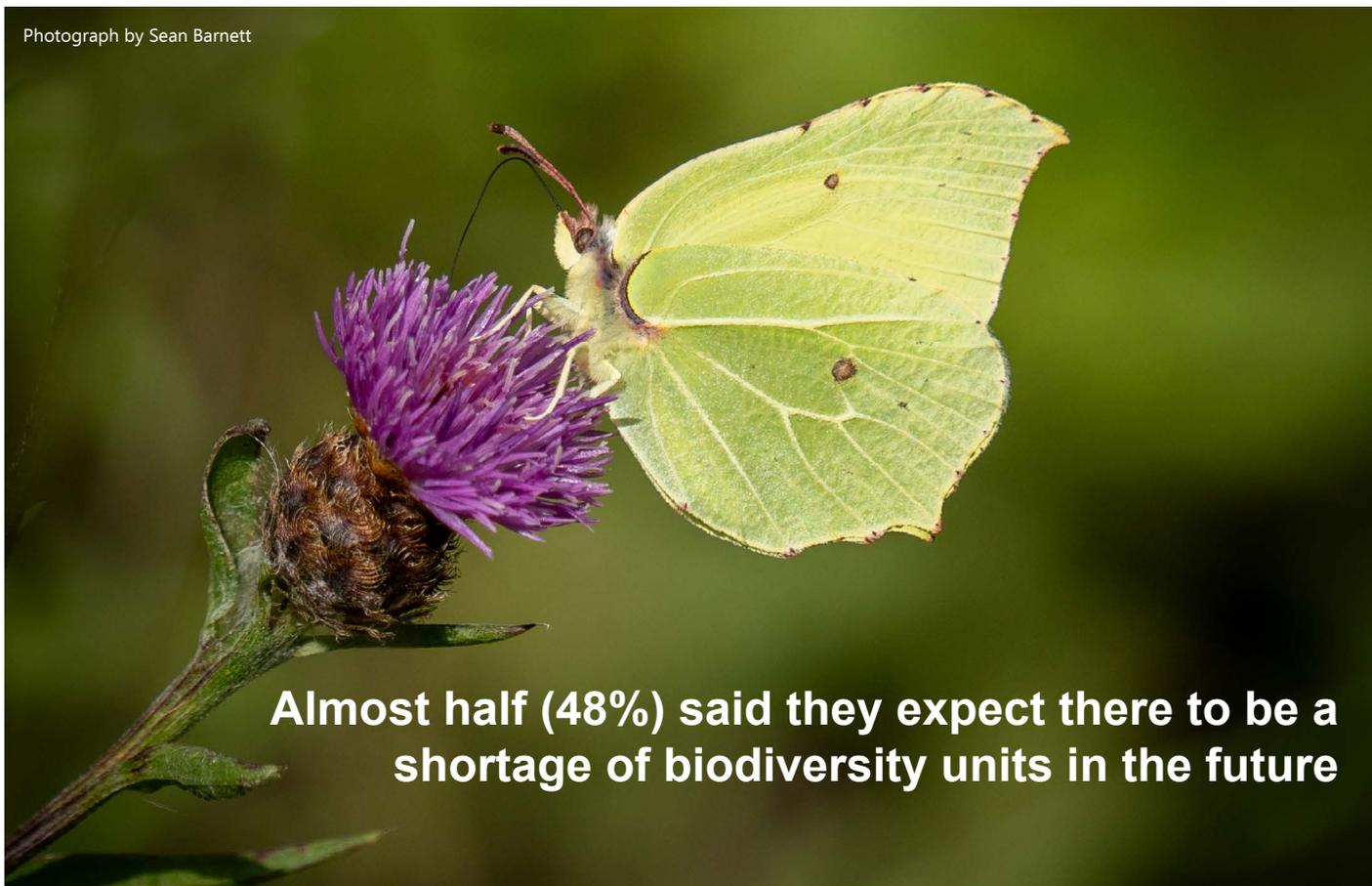
One potential option to help fulfil any shortfall may be for organisations to sell excess biodiversity units from a new development. When asked, one in six (17%) said they thought it likely their organisation would sell all excess units. A third of respondents (33%) said their organisation would use any excess towards any sites of their own, while another almost third (31%) said their organisation would do a combination of selling units and transferring them to other sites.

My organisation will sell all excess units	17%
My organisation will use them towards other sites of its own	33%
My organisation will do a combination of both	31%
I don't know	19%

The purchase of statutory biodiversity credits could be another option for new developments, however, according to this survey, close to half (45%) are deterred by the value of the credits. Just over one in five (21%) felt they offer good value, while just over a third (34%) were unsure.



Close to half (45%) are deterred by the value of statutory biodiversity credits



Almost half (48%) said they expect there to be a shortage of biodiversity units in the future

Long-term management

Plans for the long-term management of BNG delivery will be imperative as the regulations come into place. When asked how respondents thought their organisation would likely plan to manage and fund the onsite BNG in the long-term, more than half (56% said they planned to transfer the land onto a third-party management company that funds the onsite BNG by service charges paid for by the development's residents.

10% of respondents said their organisation would transfer the land to a charitable trust that funds the onsite BNG by capital payments paid by the developer, while 5% said their organisation would transfer the land to the Local Authority/Town Council/Parish Council that funds the onsite BNG by capital payment paid by the developer. A further 12% of respondents answered, "don't know" while 17% stated "other".

Respondents were asked if they thought their organisation would favour an offset provider that delivers social and environmental value through their offset sites, e.g. educational work, parties, school trips, volunteering, over a provider which does not. Over two thirds (69%) answered "yes". 23% said they didn't know, while just 7% said "no".

30 years of management

Mandatory BNG regulations require habitat enhancements to be maintained for at least 30 years. When asked if their organisation would favour a BNG delivery body that can deliver offsite BNG in perpetuity for a price that is comparable to offset providers, or alternative BNG delivery bodies that commit to delivering for 30 years, three fifths (60%) said "yes". 12% said "no", while 28% were unsure.

The survey also asked if respondents thought it likely their organisation would be willing to offer a period of longer than 30 years, if it positively benefitted a planning application (i.e. helped get approval). More than half, (57%) felt this was likely something their organisation would be willing to do.

In a similar question the survey asked if land promoters and developers felt their organisation would be willing to offer an uplift of greater than 10% BNG, if it positively benefitted a planning application. Over two thirds, (68%) responded, “yes”.

Planning ahead

The implementation of mandatory BNG has been some time coming, with its launch also having been pushed back from November 2023 to 12 February 2024. The survey asked respondents if their organisation had a biodiversity policy or strategy which is already being rolled out on development sites. More than a third (37%) answered “yes”, 44% answered “no” while 19% were unsure.

This compares to similar results from our 2022 survey in which 42% of respondents said their organisation had a policy in place vs 47% who said their organisation did not. A further 11% were unsure.

In a similar vein, the survey asked respondents if their organisation had incorporated BNG into its ESG (Environmental, Social and Governance) strategy. Close to half (45%) said their organisation had.

On a more practical topic, of the land promoters and developers surveyed, almost a third (31%) said their organisation had either started or intended to deliver its own “habitat bank” to support BNG delivery. This finding compares to 18% of respondents who stated their organisation had started or planned to habitat bank when surveyed in 2022.

What’s got to give?

BNG obligations will bring with them additional responsibilities for land promoters and developers. But what will be compromised as a result?

By far the most popular response, with 81% of land promoters and developers calling out the concern, was the overall viability of a development. Close to half (45%) felt open green space would be compromised, affordable housing (43%), children’s play areas (31%), social housing delivery (26%), the time to deliver developments (26%) and other community assets (10%) could also be impacted. Just 7% said other things will not be compromised.

Overall viability of a development	81%
Open green space for public access	45%
Affordable housing delivery	43%
Children’s play areas	31%
Social housing delivery	26%
Developments will take longer to deliver	26%
Other community assets	10%
No, I don’t believe other things will be compromised	7%

(Question asked to tick all that apply)

Mandatory BNG regulations are not the only environmental requirement the development industry is currently navigating. When asked which will have the biggest impact on the housing industry, Net zero came out on top for 28% of respondents. Nutrient neutrality was the biggest challenge for almost a quarter (24%) of respondents and more than one in five (21%) called out BNG. Water neutrality was next at 17% and recreational impact called out by 5%.

Net zero	28%
Nutrient neutrality	24%
BNG	21%
Water neutrality	17%
Recreational impact	5%
Other	5%



Almost a third (31%) said their organisation had either started or intended to deliver its own “habitat bank” to support BNG delivery



Alan Carter, Chief Executive at the Land Trust said:

“The results of this survey have shown there are still many unknowns as BNG regulations are set to come into force. As the wider industry gets to grips with the practicalities of the regulations and begins to understand their impact on housing delivery, it seems clear there will need to be flexibility in approach with a tailored, partnership solution for each development, whether BNG fulfilment is on or offsite. The respondents are keen to work with trusted partners like the Land Trust who will assist them in delivering high quality and sustainable stewardship solutions for their BNG requirements.

“The Land Trust model is built upon delivering social value on green spaces in perpetuity. It was therefore pleasing to see over two thirds of respondents (69%) believed their organisation would favour an offsite provider that delivers social and environmental value their offset sites. Similarly, it was also encouraging to see 60% of respondents thought their organisation would opt for a BNG delivery body that can deliver offsite BNG in perpetuity for a price that is comparable to offset providers that commit to delivering for 30 years only.

“As the industry prepares to fully implement the new regulations, the Land Trust is looking forward to working together with land promoters, developers and the wider industry to address and overcome challenges, and also to take the opportunity to deliver increased biodiversity, while also delivering commercially viable developments against the nationwide housing need.

“We are very much open for business and have a number of differing products which provide a secure and tailored delivery model for your BNG needs, whilst also delivering longer term social value for the communities who live and work around our sites.”



Phill Bamford, at the LPDF said:

“The Land Trust has undertaken another piece of valuable research on BNG which has clearly proven that the industry is facing a challenge when it comes to the implementation of the legislation. Whether the issue is the ability to provide BNG onsite, the availability of offsite solutions, the availability and cost of credits, or the resources and skills set of local planning authorities, all have the potential to lead to increased costs and further delays in an already over-stretched and over-burdened planning system. The impact on SME housebuilders is going to particularly significant, especially as the delivery of BNG for smaller sites is far more likely to involve offsite solutions.

“However, the sector has positively embraced the principles of BNG and will continue to strive towards delivering high quality and well-designed places which both protect and benefit biodiversity. We encourage the government to continue its engagement with the sector, to monitor and review the implementation of BNG whilst remaining open to making improvements to the process where and when they are needed.”



Sam Stafford, Planning Director at the HBF:

“Home builders have embraced the principle of Biodiversity Net Gain and are committed to creating places that protect and enhance the natural environment.

“BNG is already being achieved on developments across the country, delivering significant benefits to residents and the environment. However, operational challenges must not be underestimated. Ensuring there are viable options available - particular for small sites - is vital and expectations must be managed as this new way of working beds in.

“Whilst the developers of larger sites have been increasingly including BNG on their developments, for smaller sites, where it is not possible to deliver onsite solutions, there is a reliance on offsite credits, the availability of which is a challenge in some areas, with the market still in its infancy.

“We also need to ensure there is sufficient capacity in local authority planning departments to manage BNG. Delays in the planning process are already a major constraint on development. BNG adds further complexity to the process and without adequate resourcing, further delays are inevitable.”

For further information on our approach to biodiversity net gain, please contact the Land Trust’s Head of Environment and Biodiversity, Joe Heath. Joeheath@thelandtrust.org.uk.





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