



21st July 2025

BNG consultation response from APPG

The Local Nature Recovery APPG exists to enable Local Nature Partnerships and others to deliver Local Nature Recovery Strategies. DEFRA has often quoted BNG as one of the key mechanisms for LNRS delivery. There is anecdotal evidence that the proposals contained within this consultation have already knocked confidence in emerging nature markets. If enacted, this would represent a significant weakening of the government's ability to deliver on its legally binding targets of halting and reversing species decline by 2030.

Do not exempt minor sites from BNG

The suggestion to extend exemptions rests on three assumptions:

1. There are bottlenecks in BNG unit supply. This is wrong - Currently only 2% of available units on the register have been allocated¹.
2. BNG is excessively bureaucratic leading to delays in processing applications. This is wrong. The Home Builders Federations itself states that delays in the planning system are a result of underfunding of Local Planning Authorities².
3. The cost of BNG units is too high. This is wrong. The market has not yet stabilised or matured but anecdotally there are signs that prices are being driven down by competition.

86% of all planning applications are already exempt from BNG³. As the consultation document rightly states, fully exempting minor developments would remove 80% of BNG transactions from the offsite market. Research by Oxford University shows that this represents 40% of overall demand when measured in habitat area⁴.

Relax the Biodiversity Gain Hierarchy for Minor Sites

Whilst retention of the mitigation hierarchy is vital, we agree that relaxing the biodiversity gain hierarchy for minor sites would make it easier to discharge planning requirements. Additionally, we feel that better biodiversity outcomes would result from this change, for two reasons:

- 1) Onsite biodiversity net gain is not subject to the same controls as offsite, resulting in substandard delivery⁵ and maintenance of habitats.
- 2) Offsite provision can be targeted in places that align with the LNRS, in alignment with the Lawton principles and the underlying ethos of the Environment Act.

¹ https://www.researchgate.net/publication/393099883_Early_outcomes_of_England's_new_biodiversity_offset_market

² [https://www.hbf.co.uk/news/hbf-publishes-extended-housing-policy-blueprint-detailing-actions-for-new-government/#:~:text=Paralysis%20in%20the%20planning%20process,\(HtB\)%20in%20March%202023.](https://www.hbf.co.uk/news/hbf-publishes-extended-housing-policy-blueprint-detailing-actions-for-new-government/#:~:text=Paralysis%20in%20the%20planning%20process,(HtB)%20in%20March%202023.)

³ <https://lifescapeproject.org/uploads/BNG%20Market%20Report,%20eftec,%20260625.pdf>

⁴ [Early outcomes of England's new biodiversity offset market | bioRxiv](#)

⁵ <https://wildjustice.org.uk/general/lost-nature-report/>





LOCAL NATURE RECOVERY ALL PARTY PARLIAMENTARY GROUP



Developments should not be able to trash nature

The consultation states that *'However, some sites are not able to deliver BNG onsite and therefore are reliant on delivering BNG off-site which, depending on the value of the baseline habitats of the site, can have higher costs, and may present difficulties for developers purchasing small fractions of units, or finding suitable biodiversity units. In some cases, this has led to significant viability pressures for minor residential developments.'* BNG is designed to disincentivise the destruction of nature. If a development becomes unviable as a result of the costs related to mitigating the damage it causes to high value habitats, it should not go ahead.

Don't stop nature markets in their tracks

Nature markets hold significant promise and can make a huge contribution to closing the gap in funding for government to reach its nature recovery targets like 30x30. BNG currently constitutes most of UK nature market transactions. If we strip nearly 50% demand from the only functioning nature market that exists, confidence will drop, supply will falter, and Local Nature Recovery Strategies will have even fewer tools at their disposal for funding delivery. Government will also risk failing to meet their targets of £1billion per annum from nature markets by 2030.

Internationally significant moment

Nations across the globe are watching England's BNG policy with a view to implementing something similar. The secretariat of this APPG has hosted a group of African finance leaders as well as representatives from a Danish nature fund. Both groups were exploring similar policies, and their primary interest was in how BNG is playing out on the ground. Significantly extending exemptions to BNG now would damage the market and send the wrong message to the world that BNG isn't working, with potentially devastating consequences to nature markets globally.

In summary, the Local Nature Recovery APPG feels government should enhance rather than weaken BNG requirements. Crucially, exemptions should not be extended to all minor developments. Government needs to support, and be seen to support, nature markets at this crucial stage of their development. Not doing so will have profound consequences for the achievement of environmental targets, with little positive impact for housing targets.

Yours sincerely,

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