

Appendix D – Biodiversity Net gain

Background

Biodiversity net gain (BNG) is an approach to new development, but also land management, that aims to leave the natural environment in a measurably better state than before.

In these uncertain times we know that landowners, landholders and managers are scanning the horizon to make decisions on how best to manage landholdings or estates and explore alternative sources of income. BNG is one way that land can be managed to better our natural environment and generate an income from doing so. Whether on a large estate, a smaller piece of land or a network of sites across the country, BNG provides an opportunity to enter a market where 'biodiversity units' are bought and sold with the aim of delivering outcomes for nature that can also support economic growth.

How BNG works

Commencing in late 2023, most developments in England will need to achieve a minimum 10% net gain in order for their development to receive planning permission. They will use the [biodiversity metric](#), expected to be version 4.0, to calculate how many biodiversity units they need, in order to achieve this. When they cannot fully deliver BNG on site, they can deliver gains off site.

The new off-site market in biodiversity units is where landowners (of any type, including local authorities) are involved. Creating or enhancing habitats on your land generates these biodiversity units which you can, in turn, sell to developers. The market represents a potential chance to diversify your income. Indeed, it is expected to be worth £135m - £274m annually.

Further guidance is still anticipated on how BNG will operate, and Natural England will continue to support government in its development. To help kick-start this activity, Defra has put together some advice to support anyone looking to sell biodiversity units: [Sell biodiversity units as a land manager](#).

If landowners are considering delivering habitats for biodiversity net gain, then they are encouraged to think about the actions that can be done now. For example, habitats created or improved in advance of sale generate more 'biodiversity units', therefore starting habitat works early could benefit landowners longer term. If landowners are not yet in a position to start creating or enhancing habitats, then there are still things that can be done. This might be starting to establish baselines land that they own, using the Biodiversity Metric to explore the possibilities and what might be appropriate.