

Biodiversity Net Gain as a Developer Obligation

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Without policy intervention, property developments often lead to a loss or reduction of biodiversity by reducing the amount of available habitat for species and disrupting important ecological processes. Given the importance of biodiversity in the provision of essential ecosystem services, along with its socio-economic and recreational values, the Sustainable Development Goal (SDG) 15 of the 2030 Agenda for Sustainable Development is devoted to halting biodiversity loss. To achieve this goal, several countries including Germany and the UK have implemented no net loss (NNL) biodiversity policies (Bull & Strange, 2018; Milner-Gulland et al., 2021). These policies seek to achieve a balance between development and conservation by designing measures that ensure the biodiversity loss resulting from developments is offset by equivalent gains either on-site or off-site, notwithstanding the difficulties in quantifying habitat biodiversity value. While NNL biodiversity policies can theoretically reduce the adverse effects of development on biodiversity, their implementation in practice is challenging, thus they are subject to regular policy changes. The UK's Environment Bill 2021 includes a Biodiversity Net Gain (BNG) scheme, which means that, from November 2023, provision for gains in biological diversity will be a condition of planning permission in England (Part 6). The objective is that developments in England contribute to improving habitat biodiversity value by at least 10% of pre-development values. This is a major development, as it aims to achieve 'net gain', instead of 'net loss', whilst linking it to developer obligations. The mandatory BNG requirement also includes market-based instruments, for example where developers are unable to meet biodiversity obligations themselves, they may have the options of purchasing 'biodiversity units' or making a payment to the council or a third party (e.g., habitat bank), which is then liable for delivering biodiversity gains elsewhere. Despite the differences in the planning systems, a similar regulation is in place in Germany since the early 2000s. Previous research has extensively discussed the theoretical and empirical aspects of offsetting schemes and their policy effectiveness in various contexts. However, there has been little research concerning BNG as a developer obligation, and how it can be integrated into planning permission and development viability processes. Through investigating planning applications submitted to local authorities in the UK and Germany that have been pioneers in implementing BNG or BNG-equivalent policies, this study aims to address the following questions: how does introducing BNG affect negotiations between planners and developers? How does BNG sit within the broader planning gain and value capturing policy instruments? How does introducing BNG influence other planning priorities, e.g., housing provision?