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For immediate release

Companies tell Chancellor that biodiversity rule does not block housebuilding and infrastructure projects

The BNG Federation, the trade body representing private sector biodiversity net gain providers, has written to Chancellor Rachel Reeves amid concerns that the Treasury is forcing unnecessary reforms.

The Biodiversity Net Gain rules came into force in February 2024. They require all developers in England to leave nature in a measurably better state, ensuring that a minimum 10% improvement in biodiversity value through habitat creation.

In May this year, the government opened a consultation to ‘improve the implementation of Biodiversity Net Gain for minor, medium and brownfield developments’, with the consultation response due later this week.

The industry body which provides the habitats to housebuilders and infrastructure developers to enable planning permission say that the government may

be considering disproportionate and unnecessary changes to a system that is not hampering development. It will mark a significant U-turn on the policy, which has been under development for the best part of a decade.

Toby Peters, founding member of the BNG Federation and partner at leading BNG company Wild Capital said:

“There are many reasons why the Government is struggling to get moving on its plan to build 1.5 million homes, but Biodiversity Net Gain simply is not one of them. In fact, we are hearing that further changes to the policy are only likely to bring increased uncertainty and delays at a time when the market just needs to get going.”

Growth of the BNG market and its impact

Archie Struthers, Chief Executive of BNG provider Nattergal, said: “Biodiversity Net Gain has been a world leading policy, positioning the UK as a leader in Natural Capital markets by encouraging private investment in nature restoration and removes the cost burden from the taxpayer. There are over 20,000 available-to-purchase biodiversity units on the National Register and many thousands more in the pipeline, contributing to tens of thousands of acres of biodiversity restoration in England, one of the most Nature depleted countries in the world. The emerging market is contributing to the creation of over 2,000 jobs and an estimated £250m annual investment in the UK economy.”

“We are simply asking for a balanced and evidence-led approach to any proposed adjustments or exemptions.”

“The BNG market has now reached a significant level of maturity. Coverage across England extends to more than 70% of all National Character Areas (NCAs). This accessibility to units is translating directly into improved efficiency and lower costs. The average BNG Unit price has reduced by approximately 20% over the past year as supply and competition have strengthened.”

Exemption for Small Developers

One rumoured change is that all sites below 0.5ha would be exempt from BNG.

Archie Struthers continued: “We acknowledge there have been some teething challenges in particular for small developers as the policy starts to embed itself in feasibility and planning decisions and would welcome the opportunity to work with the government and SMEs to simplify the process for those with limited resources. However, the rumoured proposals to excuse all sites below 0.5ha from BNG would effectively exempt 97% of developments from eligibility and the government has not demonstrated any assessment of impact of these proposals”

Cancelling extension to NSIPs

The BNG Federation also said it is deeply concerned by reports suggesting the government is cancelling plans to extend the scheme to Nationally Significant Infrastructure Projects (NSIPs) from compliance.

Many large infrastructure developers are voluntarily committing to a net gain in biodiversity on their projects.

Jonathan Halford, Chairman of the largest BNG provider Environment bank said:

“If these rumours prove true, it will mark not just a setback, but a reversal of hard-won progress, jeopardising nature restoration and undermining investor confidence in the UK, and would do very little in terms of delivering on housebuilding targets. BNG was introduced to ensure development contributes positively to biodiversity rather than eroding it. Far from being a barrier to housebuilding or farming, BNG has unlocked new opportunities for landowners and developers to work together to restore nature. Our partners in the housing and agricultural sectors have embraced this approach, recognising that sustainable growth and environmental stewardship can go hand in hand.

“Rolling back these commitments would also send a damaging signal to investors. Over the past few years, the government has encouraged the market to develop around BNG, enabling infrastructure developers and institutional investors to make long-term plans. A U-turn now would shatter confidence in the UK’s credibility as a stable, investable market, sending a signal that long-term commitments can vanish overnight.

Policy volatility of this kind risks deterring capital at a time when economic growth and environmental resilience should be mutually reinforcing priorities.

“BNG is not just about nature; it is about growth, certainty, and credibility, which, if weakened, this government will lose all progress on. Weakening these requirements would not only be unnecessary for house building or harm the environment — it would erode trust, deter investment, and diminish the UK’s standing as a global leader in sustainable growth.”

Ends

Notes to editors:

About the BNG Federation

The BNG Federation was formed in November 2025 to give a voice to the offsite BNG industry.

It works with government, housebuilders and commercial and infrastructure developers to make Biodiversity Net Gain simple.

Job creation and economic value data from Wildlife Trust/Eftec 2025

Members include:

- Environment Bank
- Wild Capital
- Green Earth Developments
- Nattergal
- Alscot Estate
- Belmont Estate
- Iford Estate
- Spains Hall Estate
- Wendling Beck
- Biofarm
- Greenshank
- Nature Based Farming
- Natural Asset Partners
- Integrated Land Management
- Biodiversity and Habitat Solutions Limited
- Trust for Oxfordshire Environment
- Nature Impact
- Oxwillow Biodiversity Recovery
- Legacy Habitat Banks
- BNG Units Limited
- BioGains
- Bathealton Nature and Conservation Reserve
- Biomark
- Small Habitat Company
- Green Acres
- Civity NGE

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