



# BNG for Small Sites

Delivering on its potential

January 2025



# Summary

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**Although we are only 8 months into the application of mandatory BNG for small sites, it is clear that its implementation is causing major concerns amongst the practitioner community. In many instances this reflects similar concerns reported from developers and planning agents.**

Aside from the frustration and unnecessary stress this is causing on a system and profession already under pressure, it risks undermining the credibility of the BNG approach. This is critically important. Mandatory BNG is a ground-breaking and innovative legislative driver to help halt biodiversity loss and take forward nature recovery. However, we believe that its initial design for small sites is overly complex and burdensome relative to the biodiversity benefit it provides and that without change it will fail.

From the evidence we have gathered we propose that the key changes to be considered are:

- Review of the *de minimis* threshold to avoid disproportionate burdens on very small scale developments.
- Introduction of a simple biodiversity tariff system as an optional alternative to an off-site credit. This should be on the basis that appropriate on-site gain has been considered and, where possible, delivered at least in part. Funds provided through the tariff system could be distributed by Local Nature Partnerships in support of Local Nature Recovery Strategies.
- Review of the metric to provide more flexibility in condition assessment for the baseline habitats and more recognition of the contribution wildlife-friendly gardens and ecological features can make to delivering on-site gains, especially in urban areas. Condition assessment should be removed altogether for low distinctiveness areas.

- Introduction of a simpler version of the metric for use on sites where only low distinctiveness habitats are present. This would remove the challenge of satisfying the trading rules for the provision of on site and off site units.
- Clarification of what is meant by a competent person in relation to use of the Small Sites Metric (SSM).
- Better use of pre-occupation planning conditions and post-development auditing by competent persons to confirm delivery of the required biodiversity and landscape enhancements.
- Development of local habitat banks offering small-sized biodiversity units, and fractions of units, at an affordable cost. (NB: This may become less important if a tariff system is introduced).
- More targeted training in the requirements of the small sites approach and accurate use of the metric.

Fortunately we believe that these are solutions that can make a significant difference to the success of mandatory BNG for small sites. Even if they cannot be implemented quickly, the prospect of change being on the way will reassure stakeholders that their concerns have been heard.

CIEEM is committed to helping to make BNG, at all scales, a success. We look forward to working with Defra, Natural England and other stakeholders to make changes that will allow that to happen. Mandatory BNG is an opportunity that we cannot let slip through our fingers.

# Introduction

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**Mandatory Biodiversity Net Gain (BNG), which was introduced for major developments in England in February 2024, and for minor developments in April 2024, is a new (for the UK) approach to ensuring that almost all development activity in England has a positive impact on biodiversity.**

After decades of biodiversity loss due to largely ineffectual 'no net loss' policies, the ground-breaking BNG legislation provides a commitment to ensuring that we halt the decline in habitats and species caused by the need to make space for more houses, roads, railways and other infrastructure, and instead use such development as an opportunity to restore and reconnect our natural capital and the ecosystem services it provides.

The Chartered Institute of Ecology and Environmental Management (CIEEM) has been actively involved in BNG's journey within the UK from a possibility to probability and through to a reality and we are committed to doing all we can to help make it successful. It is inevitable that the introduction of such a novel approach will create challenges and highlight unforeseen problems but these can be overcome. These are still very early days and we believe that we must work collaboratively as a sector to resolve the problems and make BNG a success.

With this in mind, CIEEM is involved in a number of working groups and initiatives designed to support and improve BNG implementation. Our role includes gathering evidence of problems, challenges and successes and using these to inform the next stages of implementation for the benefit of all stakeholders.

It has become clear that there are particular problems associated with the approach to BNG for 'small sites' and the use of the Small Sites Metric (SSM). This report summarises evidence of the problems, primarily from ecologists with experience of BNG for small sites, and proposes a number of modifications that could address these, whilst acknowledging the constraints of the legislative framework within which the approach sits.



# BNG for Small Sites

**Small sites in a BNG context refers to those developments that are not classed as major developments as defined by article 2(1) of the Town and Country Planning (Development Management) (England) Order 2015 or are not exempt from the relevant BNG provisions of the Environment Act 2021.**

In practice, this primarily means residential development sites that are for between 1 – 9 units on a site of 1 hectare or less or, where the number of units is unknown, a site less than 0.5 hectares. It can also relate to commercial sites of less than 1 hectare or total floor space less than 1,000 square metres. There must be no priority habitats, European protected species or protected sites within the development area. There are some other provisions as well but this covers the main ones.

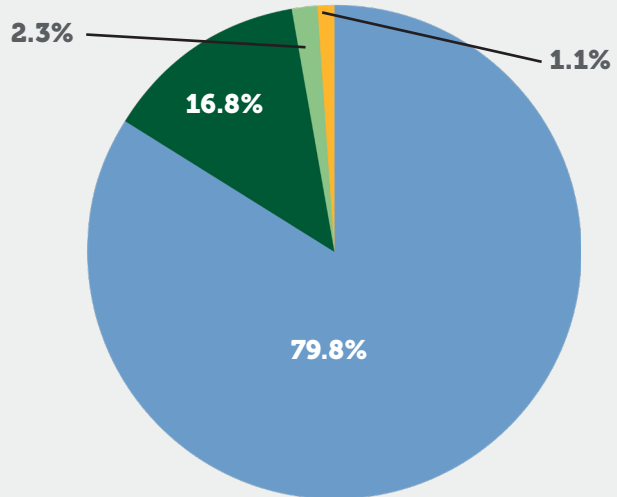
Housebuilder applications, developments below the *de minimis* on site habitat area thresholds of 25 square metres or 5 metres of linear habitat, and certain self-build or custom build developments, are largely exempt from the BNG requirement.

Where mandatory BNG does apply, developers have the option of commissioning ecological consultants to use the statutory BNG metric tool, or to make use of the Small Sites Metric tool, with or without input from ecologists.

CIEEM launched a short survey of practitioners regarding BNG for small sites in late November 2024, almost 8 months since it became mandatory. The survey was live for 10 days and was promoted to the target audience via e-media and social media channels. A total of 264 responses were received as shown in **Figure 1**.

**Figure 1**

Employment Sector of Respondents



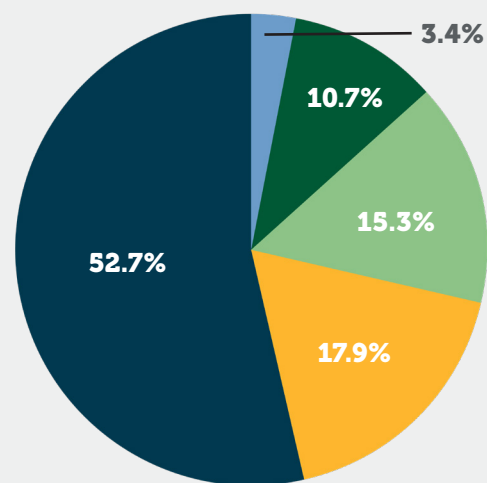
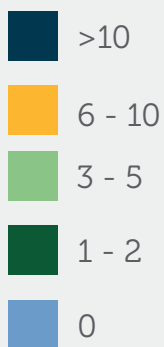
# Practitioners Feedback

As intended, the survey respondents were primarily practitioners involved in supporting developers through the BNG process. There were also 44 local authority respondents who were not targeted as part of the promotion of the survey but have contributed useful data.

The majority of respondents had been involved in more than 6 BNG small sites projects, either as a project ecologist or on behalf of a competent authority, and over half had been involved in more than 10, so there was a considerable amount of small sites expertise that was shared (see **Figure 2**). Nine respondents had no experience either as a project ecologist or scrutineer.

Figure 2

Number of BNG Small Sites Projects Undertaken by Respondents



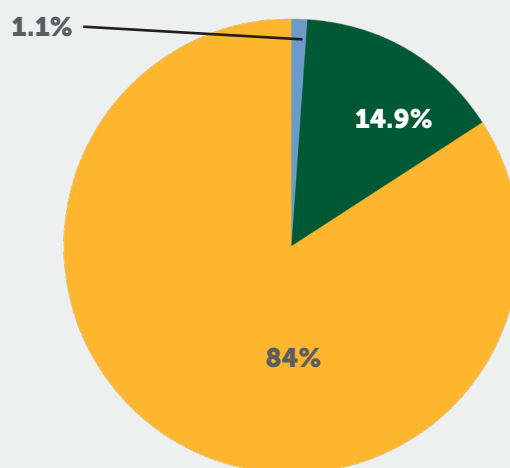
The open-ended questions produced a lot of comments and suggestions. These have been analysed with the help of an AI tool and then sense-checked manually.

**Figure 3** shows the answers to a question on how well practitioners think BNG for small sites is working. Almost 84% of all respondents felt that there are significant problems with its implementation. For those respondents who are ecological consultants, 84.2% felt that there are significant problems with the approach, for local authority respondents the figure was 81.8%. There was insufficient data from other types of respondent to give an accurate figure.

### Figure 3

How Well is BNG for Small Sites Working?

- Major problems
- Minor problems
- Very well



Drawing on anecdotal issues previously highlighted by members, we asked respondents to indicate which aspects of BNG for small sites were a major or minor problem, or not a problem at all. Respondents could also make suggestions of issues based on their experiences. The responses from all survey participants are summarised in **Figure 4**. **Figures 5 and 6** show the responses from the ecological consultancy respondents and the local authority respondents respectively.

Capacity concerns are clearly an issue. The ecological consultants, in particular, felt that there was too much work relative to the biodiversity benefit that is being delivered, with 56.3% seeing this as a major issue. There is a well-publicised and well-evidenced shortage of ecologists that was already putting strain on the

services provided as part of development planning. The introduction of BNG has created another pressure on capacity and especially so amongst smaller consultancies who are already fully stretched with the regular programme of ecological surveys, assessment and report writing. Such consultancies, including sole traders, have very little spare capacity to take on this extra work.

Whilst local authority respondents were less concerned about ecological consultants workload (although almost half of them still saw it as a major issue), more than half of all respondents (58.6%) felt that the workload impacts on local authorities were a major concern, despite the additional funding that has been provided.



Figure 4 Potential Issues with Small Sites BNG (all respondents)

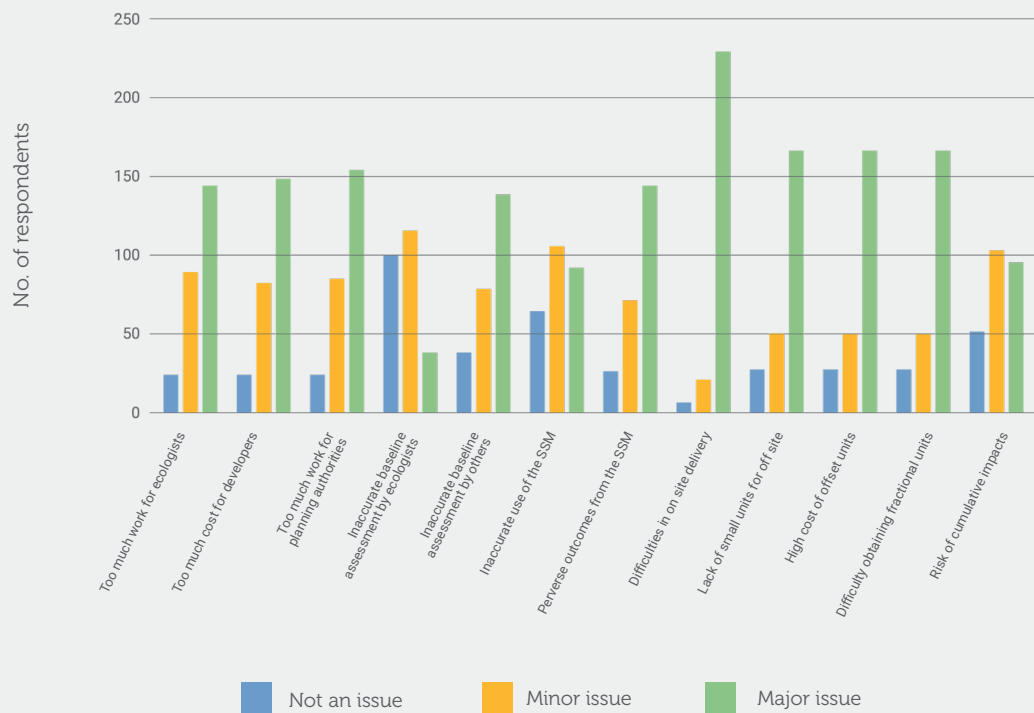
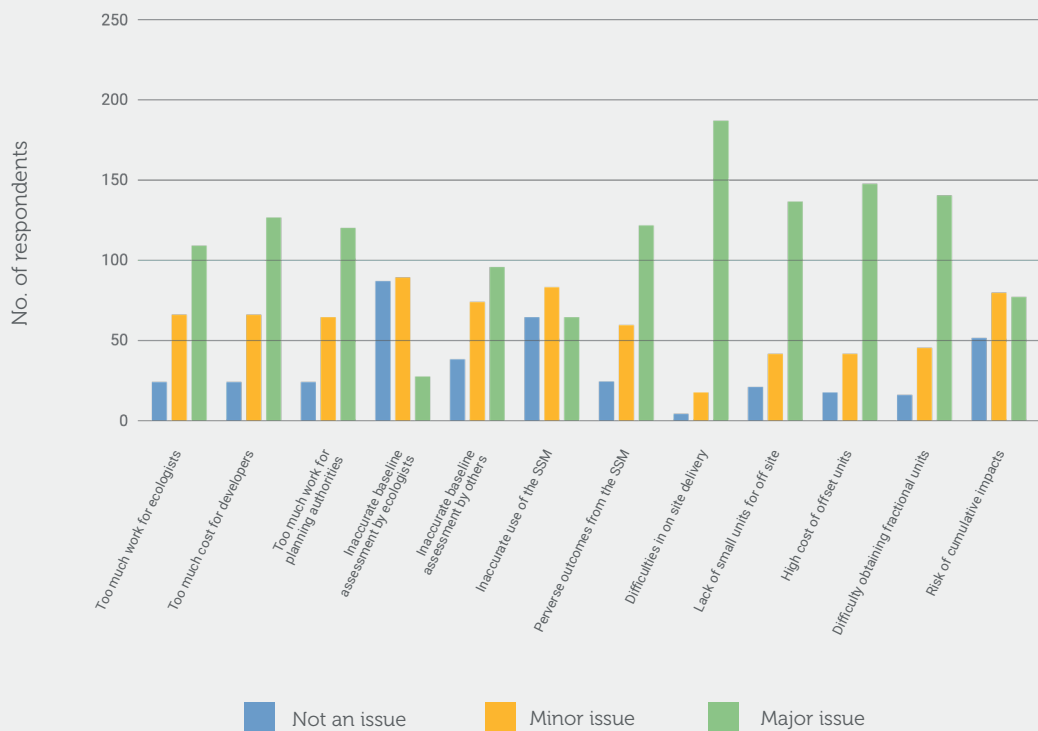
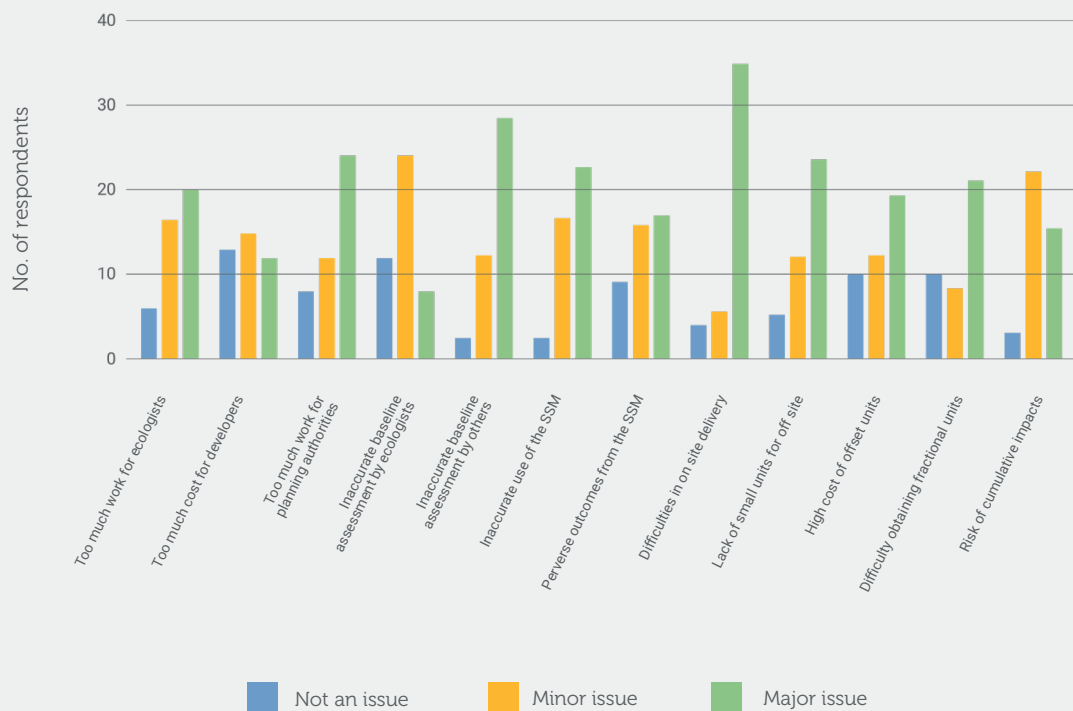


Figure 5 Potential Issues with Small Sites BNG (ecological consultants)



**Figure 6** Potential Issues with Small Sites BNG (local authority consultants)



It is worth noting that local authority respondents were more likely to see inaccuracies in the baseline assessment and use of the metric from non-ecologists as a major issue (65.1%), which creates additional work and causes delays. From a developer’s perspective this may be a false economy as delays to projects can be expensive. Local authority respondents also highlighted a lack of clarity and guidance around exemptions, and BNG requirements for small sites is leading to delays in decision-making.

The costs to developers relative to the biodiversity benefit was a major concern with 56.1% of respondents. Consultants noted that, alongside potential preliminary ecological appraisal and ecological impact assessment costs, small developers are facing unacceptably high costs for ecological work associated with a low value development. At best, this causes frustration and resentment on the part of the developer (which is often taken out on the ecological consultant and/or the local authority ecologist or planner – usually seen as the villains of the process). At worst, it causes developers to opt for the cheapest options for ecological services they can find, which can result in using inexperienced consultants or agents who offer very cheap rates for

poor quality work which then adds to the burdens on the local planning authority. It is worth noting that local authority respondents were less concerned overall about the costs to developers with only 30.2% seeing it as a major issue, possibly because they are less likely to be dealing face-to-face with the developers of small sites.

The issue causing most concern was the difficulties of delivering on-site gain, especially on the smaller sites, with 86.4% of respondents seeing this is a major issue. Private gardens are especially problematic, due to their classification as low-value habitats post-development (i.e. vegetated garden) and the inability to include tree planting, small ponds or creating wildlife-friendly gardens as biodiversity gain. This forces developers to look for off-site units which are not widely available, or statutory credits, which are disproportionately expensive, not least because of the legal and administrative costs incurred. There are also many examples of projects involving changes of use that have very little biodiversity impact (and would be screened out of any further requirements by a preliminary ecological appraisal (PEA) but which now fall within the small sites BNG provision with little scope for on site gain.

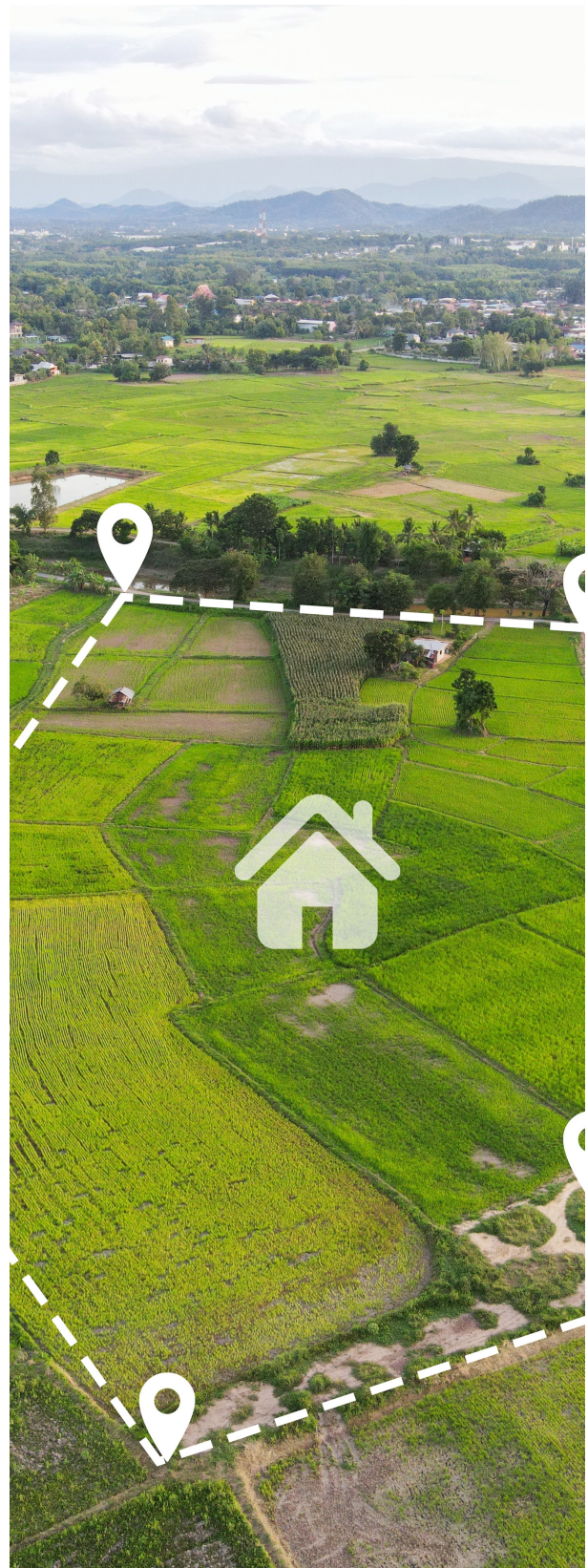


The likelihood of securing 30-year commitments to managing on-site gain and the complexity and disproportionate cost of entering into S106 agreements or similar is another concern which encourages developers to look at off-site options (but see below). It will be interesting to see if the requirement to continue to deliver BNG commitments on sites of 1 or 2 housing units has an effect on future house sale prices. It should also be noted that the cumulative effects of driving developers to look for off-site gains is potentially leading to a loss of green space in urban environments.

Off-site BNG, in the context of smaller sites, is causing considerable frustration and was the second highest major issue cited by all respondents. Often the number of units required is fractional, less than a tenth of a unit in some cases. Even if possible to purchase such fractions, the costs of these can easily undermine the viability of small development projects.

The SSM itself does present some challenges, with baseline conditions for features such as garden lawns often leading to overvaluing of habitats and consequent inflation of the gain required. There is a lack of flexibility in the metric to adjust habitat condition which can lead to perverse outcomes. The rigidity of trading rules does not work well with the type of habitats found on very small sites (e.g. gardens) and can make delivering on-site gain unachievable.

Whilst it is appreciated that the SSM has been developed to reflect the scale of development projects on small sites and the potential impact on biodiversity, the respondents experience is that it is leading to more time being spent by consultants and more cost and delay for developers, than would be the case if using the main statutory metric. Indeed many ecological consultants are now defaulting to using the statutory metric. They argue that it can save time and money, if not in consultants' costs then certainly in removing much of the off-site credits burden.



# Potential Solutions

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**Participants were asked to share their ideas on what changes to the BNG small sites approach would have the most impact in terms of overcoming the issues identified above.**

It was noted that the responses from local authority respondents and ecological consultants did not differ in terms of the most common solutions. Unsurprisingly one of the most popular potential solutions was to adjust the *de minimis* threshold to exclude developments involving 1 or 2 housing units. This would help to avoid the disproportionately high administrative and legal costs of delivering what is very likely to be off-site gain.

Amending the SSM to take better account of very small sites where the land available is predominately a private garden was also a popular solution. Avoiding over-valuation of habitat such as closely mown lawns by allowing more flexibility in terms of condition, relaxing trading rules and allowing the creation of wildlife-friendly gardens, ponds, use of bat boxes and similar artificial habitats and the planting of trees to be classed as gain would make on-site gain more achievable at reasonable cost, especially in urban environments. Low distinctiveness areas should be excluded from condition assessment requirements. Clarification of what is meant by a competent person in relation to using the SSM was felt to be important in ensuring that, where this is not an ecologist, it is still completed by someone with sufficient knowledge of habitats to ensure accuracy in the baseline assessment.

In the absence of an improved small site metric, it was felt that more should be done to promote the validity of using the statutory metric if the baseline assessment and calculations were being done by a trained ecologist. Although this would potentially incur more 'up front' costs for the developer, in many instances the resulting baseline assessment will be more accurate and require less gain/offsetting and there will be less need for negotiation between the developer, the project ecologist and the local authority. A significant proportion of the ecological consultants do currently recommend using the statutory metric instead of the SSM to their clients. Our advice to our members is to use the statutory metric as the default approach until the issues with the SSM

are resolved or unless there is a good reason to do otherwise. The requirement for Habitat Management and Monitoring Plans (HMMPs) is overly burdensome in the context of small sites. Use of an appropriately worded pre-occupation condition requiring an audit to be undertaken by a (properly defined) competent person to confirm all elements in the BNG plan have been delivered would be a more proportionate approach. The auditor could then confirm to the local authority, with photographic evidence, that the condition had been met.

There was strong support for the introduction of a tariff or fixed payment system which would be used by the local authority or Local Nature Partnership (with the latter perhaps being better able to do so) to fund local biodiversity projects, possibly linked to the delivery of the Local Nature Recovery Strategy. This would provide a straightforward solution for developers, improving certainty over both costs and timescales, as well as reducing the workload for local authorities and other competent authorities.

It was felt that, regardless of any amendment to the *de minimis* requirement and/or the introduction of a tariff system, the BNG for small sites would be significantly improved if there were more local habitat banks (potentially operated by local authorities) that could make offsets, particularly very small offset unit, more accessible and affordable. It was felt that Defra and Natural England had an important role to play here. More training for local authorities in all aspects of BNG for small sites, including exemptions, was highly desirable, together with more training for developers, planners and architects in how to use the metric accurately and how to design net gain on small sites. The introduction of more user-friendly tools would also help non-ecologists to complete the metric more accurately and reduce the burden on local authorities.

In conclusion, there is clearly a lot of willingness to make BNG for small sites work as a positive approach to restoring nature. Inevitably, any new major policy will have initial implementation issues but we believe that there is the opportunity to address these. We have summarised our suggested changes at the start of this document and restate our commitment to work with Defra, Natural England and other stakeholders to help make this new policy a success.



**CIEEM**

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