



Office for Environmental  
Protection  
Wildwood  
Wildwood Drive  
Worcester  
WR5 2QT

03300 416 581  
[www.theoep.org.uk](http://www.theoep.org.uk)

BNG Consultation Team  
Land Use Policy Division  
Department for Environment, Food and Rural Affairs  
Seacole Building  
2 Marsham Street  
London  
SW1P 4DF

10 June 2026

**Sent by email only to:** [bngconsultation@defra.gov.uk](mailto:bngconsultation@defra.gov.uk)

Dear BNG Consultation Team,

### **Biodiversity Net Gain – considering a targeted exemption for residential brownfield development**

I am writing in response to the public consultation on proposals for a targeted exemption from Biodiversity Net Gain (BNG) requirements for residential development on brownfield land.

In 2025 the OEP responded to the government's consultation on improving implementation of BNG for minor, medium and brownfield development.<sup>1</sup> In our response we urged Defra to approach reform to BNG with caution. In respect of this latest consultation, we find that certain points made in our earlier response remain extant, and in some instances, risk being exacerbated should the options presented be pursued.

In response to the 2025 consultation, government committed to a suite of changes including the introduction of a blanket exemption for development on small sites below 0.2ha, which will come into force by the end of July 2026. This is in addition to pre-existing BNG exemptions such as the '*de minimis*' exemption and that for householder planning applications. By Defra's own assessment,<sup>2</sup> with the 0.2ha small site exemption in place, roughly 90% of planning applications will be exempt from mandatory BNG (rising from 80% prior to introduction of the 0.2ha small site exemption).

Since that consultation we have also seen the proposed policy change in the National Planning Policy Framework (NPPF) to limit the circumstances in which plans may seek biodiversity net gain contributions which exceed the statutory requirement.

---

<sup>1</sup> [OEP responds to Secretary of State on Biodiversity Net Gain consultation | Office for Environmental Protection](#)

<sup>2</sup> [biodiversity-net-gain-considering-a-targeted-exemption-for-residential-brownfield-developmentpdf-1](#)

I am also aware that BNG is yet to come into effect for Nationally Significant Infrastructure Projects, but that this is due to happen from 2 November 2026.

Ahead of the full BNG regime bedding-in, and these early post-implementation changes taking effect, this current consultation seeks views on the introduction of a further exemption to BNG in the form of the exclusion of the delivery of residential development on brownfield land under a range of different area thresholds. It is in relation to these proposals which I now write.

Rather than responding to each of your consultation questions we present our response under the headings of some overarching themes, which I hope is helpful to you.

### ***Evidence and analysis***

In our earlier consultation response, we highlighted that the previous consultation did not present evidence regarding the nature and extent of the challenges that the proposals were intended to address, nor did it set out any assessment of the anticipated impact of the options for reform being consulted on. We recommended that Defra provide fuller evidence to support the need for and impacts of the reforms to BNG that were being proposed.

The current consultation represents a significant improvement in this respect. We welcome inclusion of the evidence and analysis regarding the anticipated impacts of the proposed residential brownfield exemption under different area thresholds. The consultation document also includes evidence relating to the estimated impact of the 0.2ha small site exemption, which is helpful. This provides a genuinely useful level of openness and transparency as to what the proposals could mean for nature, the BNG market and cost savings for developers.

However, we remain concerned that the consultation provides no clear evidence regarding the challenges that the government intends to address by introducing the proposed targeted exemption discussed in the consultation.

Whilst the consultation document makes references to the additional administrative and cost burdens of BNG, it does not quantify the extent to which these are proving prohibitive or challenging for housing delivery on brownfield sites. Nor does it set those challenges, in relative terms, against the other constraints faced by developers in the context of such development.

Although the published analysis estimates the possible cost savings associated with the proposed exemption, it does not go on to explain or quantify whether or how these savings are anticipated to translate to the delivery of more homes. Nor does it set out how the shortfall in nature recovery would be made up via other means – to ensure legally binding targets and EIP commitments can still be met.

Whilst we appreciate that the overall intention is to smooth the path for bringing forward residential development on brownfield sites, the consultation presents no evidence to substantiate that BNG is a barrier to such development or that a further targeted exemption is necessary to support government's housing delivery targets.

As such, we recommend the publication of further evidence into the extent to which BNG is affecting residential housing delivery on brownfield sites before government considers further exemptions. We also consider that any such research should allow sufficient time for the overall BNG regime, and other newly applied exemptions (such as the 0.2ha small sites exemption) to fully take effect so government may establish whether there is a need for further targeted exemptions. This would seem particularly pertinent given that, once the

0.2ha exemption comes into effect, roughly 90% of planning applications will already be exempt from BNG requirements.

### ***Costs to biodiversity and nature markets***

The analysis presented in the current consultation sets out the estimated compliance cost savings for developers against the estimated cost to nature associated with applying the proposed brownfield residential exemption at various area thresholds. From this analysis, it is apparent that the cost to nature would be significantly more than the savings to developers. The maximum annual cost to nature of the proposals being considered is estimated at £91 million at the highest proposed area threshold (2.5ha), with the estimated central cost savings for developers in that scenario being less than half that figure (£43 million, subject to a £22 million - £65 million range).

The consultation document states that the results of this analysis: “... *highlight that some of the proposed exemption thresholds could lead to substantial ecological and market impacts that need to be considered against any potential housing gains.*” (Our emphasis added). And by our reading, none of the proposed exemption thresholds presented are without impacts that affect BNG and the associated nature market. As above, by contrast, evidence of the potential housing gains is missing.

### ***Ensuring confidence in nascent nature markets***

The consultation analysis also considers the impacts on nature markets, estimating that the proposed residential brownfield exemption would remove a further 7% of the remaining transactions in the offsite market. With the 0.2ha small sites exemption in place, it is estimated that this would lead to a total reduction of around 48% in offsite market transactions.

As we have highlighted previously, fostering nascent nature markets is critical and the BNG regime has been important for creating mechanisms and confidence to facilitate private market investment in biodiversity improvements. Such confidence is key to mobilisation of private sector investment for nature, the scale of ambition for which is large, at £500M by 2027, rising to £1B by 2030. We consider that the proposals risk eroding that confidence.

More broadly, where government is committed to growth, we consider it important that the role of nature markets is understood and can form part of the solution to creating a buoyant economy. As the Environmental Improvement Plan says, to kickstart the economy, natural capital must be considered alongside physical and human capital.

### ***Maximising potential for win-wins for nature and development***

Brownfield sites have undeniable value for housing development. They also have potential for priority habitats and species to be present, which is why it is important that the BNG regime works effectively for such sites.

We recognise this government’s ambition in respect of housing and growth. However, on the basis of the evidence provided, it is not clear that a brownfield residential exemption would lead to the number of new homes that would be notable in the context of government’s housing delivery ambition. Conversely they may have an impact in respect of commitments to nature recovery.

The consultation document specifically seeks views as to the trade-offs involved and whether the impacts identified can be justified in the context of supporting brownfield housing delivery. We consider that, without further evidence and analysis, additional exemptions of this nature could be at odds with the government commitment to create win-

wins for housing delivery and nature recovery, and may impact upon government's ability to meet its environmental commitments.

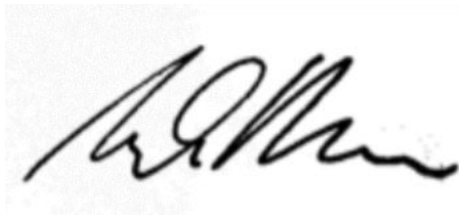
***Environmental Principles Policy Statement (EPPS)***

In our response to the earlier consultation on BNG reform we set out our view that any evidence pack, presented alongside a consultation on proposed policy change, would be a logical place to discuss how the EPPS has been applied and is informing development of policy. We would reiterate this point in relation to this current consultation.

Whilst this consultation goes further, in respect of the evidence presented, it is not set in the context of application of the EPPS duty. We consider that such an assessment would be helpful to those considering the questions posed in your consultation document.

Where this consultation invites further evidence and engagement, we would be happy to discuss our response further if helpful. We would also welcome publication of information you obtain through this consultation, which builds the evidence-base in respect of those areas where we have flagged gaps.

Yours sincerely



Natalie Prosser  
Chief Executive Officer



[www.theoep.org.uk](http://www.theoep.org.uk)